



35p (IR 45p)

THURSDAY 18 JANUARY 1996

2,886

## JOURNEY TO THE EDGE OF TIME

The wonder of Hubble



## QUESTIONS OF SPORT: £40,000 TO BE WON

See page 22

## BIANCA JAGGER AND THE KILLER

Reprise on Death Row

# Ashdown to offer Blair reform pact

Coalition plan to keep Tories out

PATRICIA WYNN DAVIES

Political Correspondent

Paddy Ashdown, the Liberal Democrat leader, is willing to join a coalition with Labour after the next election as a means of creating a long-lasting agenda for changing Britain.

Mr Ashdown will make clear in a keynote lecture next Monday that a post-election agreement to work with Labour is an option his party would be prepared to embrace. The speech marks his latest move closer to Labour following his declaration last year that he would not keep the present Conservative administration in power in the event of a hung parliament.

According to a Liberal Democrat source, Monday's lecture - directed at Mr Ashdown's own party as much as to the country at large - will build on the ground first set out by the Liberal Democrat leader in his May 1992 speech at Chard.

He said then that his party should "reach out to those who might share an agenda for reform".

The arithmetic of the election result might leave Mr Ashdown with little to talk about. But co-operation from the Liberal Democrats could free a Tony Blair government from relying on Labour left-wingers, while fruitful political partnership could ensure continuing support from the third party in a subsequent parliament.

Peter Mandelson, Labour MP for Hartlepool and a close confidant of Mr Blair, has al-

ready argued for a post-election pact with the Liberal Democrats even if Labour is elected with a majority, "to assure a longer term, stable, left-of-centre government".

The establishment of a left-of-centre coalition lasting a full parliamentary term and beyond would represent a historic sea-change in British politics.

The Liberal Democrat leader

Ashdown: Speech to outline plans after the election

is expected in the speech to rally activists in London, firmly to emphasise his party's policy of carving out a distinctive identity which differs in significant ways from Labour's, and he repeated previous challenges for Labour to set out its policies in more detail and embrace a proportional voting system for the Commons.

He will also specifically leave open the possibility of his party attempting to exert influence from the opposition benches.

Politics, page 6

Queen will not rescue duchess

LOUISE JURY

The Queen will not help the Duchess of York who reportedly has debts of more than £1m. "These are matters which the Duchess of York must discuss and resolve with her bankers and other financial advisers", a Palace spokesman said.

"The Duchess of York's business ventures are conducted quite separately from any royal duties, and any transactions resulting from them must be resolved between the Duchess and her business associates and creditors. They are not a matter for the Queen."

The Duchess confirmed she was making "huge" cutbacks. "But the state of my financial accounts is not anybody else's business". Media reports yesterday quoted Royal sources as saying that the Duchess had an overdraft "certainly not less than £1m" at Coutts.

The Duke and Duchess separated four years ago when a £2m settlement by the Queen is thought to have included £1.4 million placed in a trust fund for their two daughters, Beatrice, seven, and Eugenie, five. Prince Andrew is believed to pay the Duchess £15,000 a year in addition to the girls' £10,000-a-year school fees.

The Duchess is said to have a staff larger than the Princess of Wales at an estimated cost of £32,000 a month.

## Millennium show finds a designer but not a home

REBECCA FOWLER

The Millennium Commission has indicated it will award the prestigious contract for a grand exhibition to celebrate the arrival of the 21st century to a London design consultancy called Imagination. But it is still divided over a site for the event in a battle between Greenwich in south-east London, and Birmingham.

The nine commissioners, headed by Virginia Bottomley, the Secretary of State for National Heritage, met yesterday to compare bids. They are expected to give £200m towards the year-long exhibition, which could cost a total of £500m.

The support for Imagination, which designed the Dinosaur Gallery for the Natural History Museum and the Cadbury Fantasy Factory, a chocolate museum in Birmingham, was the first move towards a final decision. But indications that the design consultancy has been successful does not mean that its competitor, a consortium including the MAI Group, led by Lord Hollick, and M2000 headed by Touché Ross, the management consultancy, has been completely ruled out.

Both Birmingham and Greenwich have lobbied furiously to host the event, which is expected to attract 50 million visitors. They aim to create a celebration that will match the Great Exhibition of 1851.

The representatives of both sides said they were neck and neck yesterday. Greenwich hopes to transform a 130-acre derelict site on the river Thames, while Birmingham plans a site around the National Exhibition Centre (NEC).

But there was speculation the Greenwich site has emerged as the front runner, since Imagination has been asked for more details on how it would use this land. It is backed by the local MP Peter Bottomley, Mrs Bottomley's husband, and its champion says London is the natural home for the celebrations, especially a site on the Meridian which is strongly symbolic.

The organisers hope to raise £50m from the Corporation of the City of London to support the event, and Michael Heseltine, the deputy prime minister, is also understood to be enthusiastic about the south-east London site.

But Birmingham has powerful support from those critics of the Lottery who claim too much money has been concentrated on the capital. Its backers say the NEC is already a functioning exhibition site able to deal with large numbers of people.

### IN BRIEF

#### Naked car protest

A naked woman daubed with anti-car slogans reduced a cathedral service to near chaos as 1,000 people marked 100 years of the motor car. Page 3

#### Petrol price war

A fuel price war swept across the nation's forecourts yesterday, knocking up to 4p off the price of a litre of Shell four-star petrol. Page 2

## Branson looks for the cloud in his silver lining



CHARLES ARTHUR  
Marakesh

Richard Branson was treading carefully yesterday after discovering that his plan to make the first non-stop circumnavigation of the world by balloon may have been punctured inadvertently by his hosts in Morocco.

Mr Branson (above) revealed that a Hercules aircraft belonging to King Hassan II's flight had blown gravel and grit directly into the hangar housing his Virgin Global Challenger balloon when taking off, and could have put undetectable -

but catastrophic - holes in the 170-foot canopy. The dynamics of the huge helium-filled balloon, are so finely balanced that a tear just the size of a fingernail would halve its lifting ability and add four days to the planned 18-day circumnavigation.

Mr Branson and the balloon's assembly team have been inspecting the thousands of square feet of high-strength silver plastic for any signs of damage. "We did find a couple of small stones," Mr Branson said. So far, no holes have turned up, though the team admits they will not be sure until the balloon is inflated. That will not be done until all of the other preparations are complete and weather conditions are right.

There are two other clouds on Mr Branson's horizon. The first is that a rival balloonist, Henk Brink of the Netherlands, wants to beat him to the non-stop prize, and yesterday announced that he hoped to take off on Sunday.

The other problem is that every country over which the Virgin balloon will cross has so far given permission for his flight - except Morocco's closest neighbour, Algeria.

But Mr Branson refuses to feel deflated for now.

## Yeltsin ready to sacrifice 100 hostages

PHIL REEVES  
near Pervomayskoye  
HUGH POPE  
Istanbul

Russian forces yesterday set out to obliterate Pervomayskoye and all its inhabitants - rebel and hostage - after two days of humiliating and public failure to capture the tiny Caucasian village.

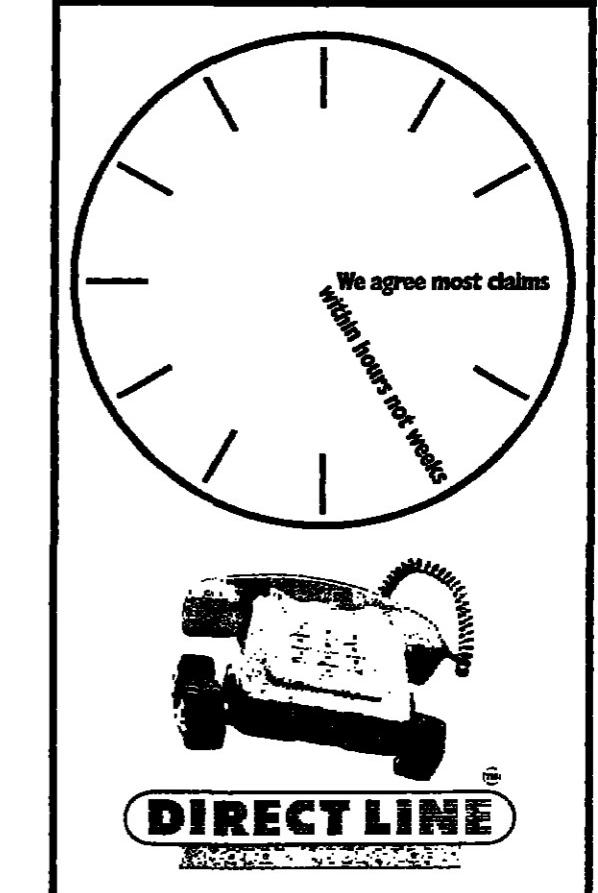
Seeking to justify their assault on Pervomayskoye, the Russians yesterday reiterated claims that the Chechens were executing the hostages they have held for a week. "Because the situation is becoming more complicated, we have decided to conclude the operation," said Major General Alexander Mikhaylov, a spokesman for the Federal Security Service, a successor to the KGB. Asked about the fate of the hostages, he said: "We have little hope for them." As many as 41 hostages were claimed to have been freed in the last two days of fighting.

In Istanbul it emerged that Mohammed Topcan, the chief hijacker on board the *Avrasya*, and his half-dozen gunmen, come from a community of Turkish citizens descended from more than a million people forced to flee the Tsarist and Soviet conquests of the Caucasus in the past century.

"We have done this in the name of unity and independence of the North Caucasus state [of 1918]," Mr Topcan said in one of many ship-to-shore telephone interviews on Turkish television shows. Last night the ferry was heading for the port of Sinop, where Mr Topcan said he might release some of the hostages.

No Britons are reported to be aboard. Estimates say there are from 100 to 150 Russians, about 40 Turkish passengers, 40 Turkish crew and a sprinkling of other former Soviet nationalities. The only casualty so far reported is a Turkish port official, wounded in the foot when he tried to oppose the hijacking.

Russians close in, page 8  
News analysis, page 13  
Leading article, page 14



A single call is normally all it takes to agree most claims. There are no complicated forms to fill in, we can collect your car and return it to you following a speedy, quality repair.

It's no wonder that 98% of customers would recommend our claims service to their friends. For the best service when you need it most, call Direct Line today.

0181 686 2468 0141 226 2468

LONDON GLASGOW

0161 839 2468 0121 236 2468

MANCHESTER BIRMINGHAM

0113 243 2468 0117 945 2468

LEEDS BRISTOL



9 770951 946344

03

## news

# Jobs at risk as Shell fuels petrol price war

MARY FAGAN  
Industrial Correspondent

A petrol price war swept across the forecourts yesterday, taking up to 4.4p off a litre of Shell fuel, and provoking the abandonment of Esso's long-established Tiger Tokens. The Petrol Retailers' Association said thousands of petrol stations could go out of business, with the loss of up to 50,000 jobs.

Shell's price-cutting move underlines a growing backlash by the big oil companies against cut-throat pricing at supermarket petrol stations, which now account for about a quarter of UK sales.

Individual Shell retailers will set their own prices, but the recommended price of a litre of four-star is cut from 63.9p to 59.5p; unleaded will come down from 58.9p to 56.9p, and diesel from 59.9p to 58.9p. The cuts coincided with Esso's announcement of lower prices nationwide and the scrapping of its 10-year-old Tiger Tokens gift scheme from 14 February. BP responded by saying others "are now catching up" and that it would "remain competitive and continue to undercut other quality suppliers".

According to the AA, the effect of a 3p per litre price cut would mean a fuel bill saving of about £36 a year for a motorist averaging up to 8,000 miles and £54 for those reaching 12,000 miles.

The onslaught of the supermarkets has squeezed both the volumes and the margins of the oil companies. The situation has been further exacerbated by years of recession and the increase in fuel costs.

The number of outlets has already shrunk to about 17,000 from 39,000 in 1968, although this is driven partly by the growing size of individual stations. According to the PRA, the total could slump to 9,000 or 10,000 by the end of the decade. Shell said: "We are already in a price war and it is very difficult to say how long it will last." But added that Shell believed its customers were also attracted by quality of product.

**Comment, page 17**

Average or recommended petrol prices			
Shell	BP	Esso estimates*	Supermarkets
4 star	58.5p	61.4p	59.5p
Unleaded	56.9p	56p	54p
Diesel	58.9p	58p	55.5p
			50p

\*Esso said that pricing would be localised and that proper estimates could not be given until Priceswatch takes effect.

and its incentive scheme which allows customers to build up units exchangeable for gifts, entertainment and travel.

Esso's latest initiative, called Priceswatch, aims to match the lowest petrol prices on offer within a three-mile radius of its 2,100 service stations. Trials of the scheme in Scotland and the North-east have resulted in 2p to 3p off a litre, but Esso stressed that national price comparisons were "irrelevant" as its pricing would be done on a local basis to make its product "nationally unbeatable".

John Adkins, Esso's UK divisional director of retail, said:

"Our strategic studies show that the consumer is becoming much more sensitive to prices. People will drive three miles to get lower prices and are much more interested in price than in any promotions." He said that people in the Tiger Token scheme had until 14 February to top up their tokens before it was eliminated and that until the 6 May Bank holiday to have them redeemed.

The Petrol Retailers' Association said consumers would benefit from the price cutting in the short-term but that they could ultimately suffer as outlets closed and there was less choice. The greatest number of casualties are likely to be the smaller independent retailers which lack the financial muscle to have them redeemed.

Park Road Group, which runs 10 outlets in the Tyneside area, where Esso has already been trying out Priceswatch, said that turnover had fallen by £56,000 a week over the past four months. Philip Richardson, Park Road's managing director, said: "We have been to hell and back on prices. There are going to be more losers than winners in this game."

Last November, the PRA asked the Office of Fair Trading to look at the situation after allegations that Esso was selling in the test areas at below cost. But the OFT deemed the actions not to be predatory, noting the intensive competition in the industry.

**Comment, page 17**

The PRA said: "We are already in a price war and it is very difficult to say how long it will last." But added that Shell believed its customers were also attracted by quality of product.



Tower inferno: A plume of smoke from the blaze at the NatWest Tower in the City of London could be seen across the capital. Photograph: Jane Baker

## 500 workmen escape NatWest Tower blaze

JOJO MOYES  
and WILL BENNETT

Five hundred workmen were evacuated yesterday when fire broke out on the top floor of the 600ft-high NatWest Tower, the City of London's tallest building, sending a huge cloud of smoke across the capital.

Firefighters, for the first time using a helicopter equipped with thermal imaging equipment to pinpoint the source of the blaze, put out the fire in a glass fibre cooling tower on the 45th floor within 40 minutes.

There were no casualties. The cause of the fire is not yet certain but it is thought that workmen restoring the tower, which was badly damaged by an IRA bomb in 1993, may have started the fire with welding equipment.

John West, who was working on the floor below where the blaze started, said: "I am not surprised that the fire was as big as it was because there was a lot of rubbish on the floor where it began. Some people are saying it was a disaster waiting to happen, but unfortunately no one was hurt."

In December, the bank announced that it would not move back in when restoration is complete and put the tower up for sale for an estimated £189m.

Edward Townsend, a spokesman for the National Westminster Bank, said yesterday: "The cooling tank was destroyed but the damage was confined to the 45th floor. Restoration work will continue as usual tomorrow."

Divisional Officer David Robinson, of London Fire Brigade, said: "In terms of access, a high-rise like this can be a major problem for the brigade, but the contingency plans worked very well."

"All brigades with high-rises in their areas regularly train in the methods of tackling fires in skyscrapers and that work paid off."

Sergeant Charles Owen, a spokesman for the City of London Police, said: "Everyone inside the building has been accounted for. There was an evacuation procedure prepared for events like this which has worked successfully."

"There are no injuries that I am aware of. We do not have a cause of the fire yet, but it is not being treated as suspicious."

## Missing nuclear gauge 'poses risk'

CLAIRE GARNER

The public is at risk of radiation from a nuclear gauge which was last seen on the M3 at Wimsey two years ago and is unlikely to be recovered, a court was told yesterday.

In the first case of its kind, the Health and Safety Executive and HM Inspectorate of Pollution told Reigate magistrates' court in Surrey how Camas

Associated Asphalt Limited, a road construction company based in Henley-on-Thames, Oxfordshire, wrongly recorded the device's whereabouts and, on discovering that it was in fact missing, failed to inform the court of the loss for over a year.

The Trotter gauge, designed to measure the moisture content and density of road surfaces, contains a Caesium-137 and an Americium-241/Berillium.

Paul Appleton, prosecuting for the HSE, explained the potential danger of the device to the public. "If you got hold of the source in the end of [the rod] and held it for 10 minutes you would exceed your yearly dose."

Camas Associated Asphalt Limited pleaded guilty to breaching the Ionising Radiations Regulations Act 1985 and the Radioactive Substances Act 1993 and was ordered to pay

£26,000 and £10,500 to the HSEMP and the HSE respectively, plus costs in excess of £6,000.

The presiding magistrate, Professor Shelley, said: "Danger to the public of the radiation materials involved may indeed be negligible if the equipment is correctly maintained and located. But there is now no known location of the equipment and sources may

now have been broken from the equipment and decimated into the environment."

Keith Harsham, an HMIP pollution inspector, said after the case: "A kid could easily mistake the brightly coloured device for a toy and touch it. Worst of all, it ends up in a metal scrap yard – which is likely because it has a high scrap value. There is a high probability of a fatality if it is combusted."

### Stabbing inquiry

A man was detained for questioning by police in connection with the death of a woman and the disappearance of her daughter. After June Jones was found dead with stab wounds stabbed at her home in Aldershot, Hampshire, on Tuesday, police launched a search for her daughter, Lorraine Binnion, who was found in Plymouth.

### Illegal bird traps

After magistrates in Norwich fined gamekeeper David Milligan, £2,150 after he admitted setting illegal traps for birds of prey around the Kimberley Hall Estate in Norfolk, officials from the Royal Society for the Protection of Birds warned that the law was being regularly flouted because of the widespread spread among landowners and gamekeepers that birds of prey were vermin.

### THE INDEPENDENT ABROAD

Austria	...Sch40	Nhants	...P5.00
Belgium	...Sch40	Italy	...L4,500
Cameroun	...Pc300	Malta	...Eac25
Cyprus	...Ccl20	Malta	...43 cents
Denmark	...Dcl20	Norway	...Nr20
Iran Rep.	...A5	Portugal	...Eac25
France	...Pd4	Spain	...Pd300
Germany	...Dm15	Sweden	...Sr20
Greece	...Dm5	Switzerland	...S14.00
Luxembourg	...Pf20	USA	...\$3.00

### OVERSEAS SUBSCRIPTIONS

An ann. 52 weeks: Europe £31.76 Zone 1 0462 262 262; America, Asia and India £38.00; Zone 2 (New Zealand and Australia) £30.70. To order, please send cheque payable to International Mail Services Ltd to 43 Mortlake Road, London SW14 8RR, or telephone 0171 538 6266. Credit card welcome.

### BACK ISSUES

Back issues of the Independent are available from: Hargreaves Newspapers, telephone 0898 470455.

## Adams joins peace talks

DAVID MCKITTRICK  
Ireland Correspondent

Sim Fein yesterday took part in its first tripartite round of talks with both British and Irish ministers in Belfast, as part of a series of discussions designed to lead eventually to all-party talks.

The meeting, in the Stormont estate on the outskirts of the city, is part of a network of talks which are meant to ease the two governments and the local parties towards full negotiations.

It is acknowledged, however, that reaching that goal is dependent on the successful resolution of the arms decommissioning issue.

Sim Fein president Gerry Adams said yesterday that the peace process was effectively on hold until the international body on decommissioning reports next week, and until the two governments respond to its recommendations.

Sir Patrick made no comment as he left the building but the Irish Foreign Minister, Dick Spring, described the meeting as "very satisfactory". Sir Patrick repeated the Government position that some IRA weapons would have to be turned in.

Young boxers can develop permanent brain damage early in their careers without any signs or symptoms of injury, according to an investigation following the death in the ring of a 23-year-old.

A detailed study of the young man's brain revealed long-standing brain damage, and some of the structural abnormalities common in the brains of elderly Alzheimer's patients.

Doctors at the Royal London Hospital believe this is the first report of this type of damage in a young adult brain, and their report will further the cause of the British Medical Association and other organisations which want to ban boxing.

Although elderly boxers are commonly "punch drunk", displaying the symptoms of brain damage – slurred speech, disturbed balance, poor memory – neurologists did not expect to find such clear evidence of damage in a young boxer.

The man, who died from a massive brain haemorrhage, had been fighting since the age of 11 and turned professional at 19. Relatives said that he was occasionally forgetful, but showed no other symptoms. According to a report in *New Scientist*, his brain contained many "tangles" – abnormal clumps of protein which accumulate in cells and interfere with their function.

Jennian Geddes, a neuro-pathologist at the Royal London Hospital, said the tangles were "wrapped around blood vessels at the bases and sides of the brain, which is exactly where the brain would sustain the force of any blows to the head. This picture is typical of what we find in Alzheimer's disease or retired boxers' brains."

## Boxing damages young brains

LIZ HUNT  
Health Editor

Young boxers can develop permanent brain damage early in their careers without any signs or symptoms of injury, according to an investigation following the death in the ring of a 23-year-old.

A detailed study of the young man's brain revealed long-standing brain damage, and some of the structural abnormalities common in the brains of elderly Alzheimer's patients.

Doctors at the Royal London Hospital believe this is the first report of this type of damage in a young adult brain, and their report will further the cause of the British Medical Association and other organisations which want to ban boxing.

Although elderly boxers are commonly "punch drunk", displaying the symptoms of brain damage – slurred speech, disturbed balance, poor memory – neurologists did not expect to find such clear evidence of damage in a young boxer.

The man, who died from a massive brain haemorrhage, had been fighting since the age of 11 and turned professional at 19. Relatives said that he was occasionally forgetful, but showed no other symptoms. According to a report in *New Scientist*, his brain contained many "tangles" – abnormal clumps of protein which accumulate in cells and interfere with their function.

Jennian Geddes, a neuro-pathologist at the Royal London Hospital, said the tangles were "wrapped around blood vessels at the bases and sides of the brain, which is exactly where the brain would sustain the force of any blows to the head. This picture is typical of what we find in Alzheimer's disease or retired boxers' brains."

Maguire faces appeal over £13,500 award

Colin Parry, who received £7,500 after his 12-year-old son Tim was killed in the 1993 Warrington bombing, called for a review of the compensation system. He said: "It's a kick in the teeth. Every time these judgments come along, it reminds us how little society appears to value a child's life."

Maguire was convicted in 1995 by a German court of the attempted murder of British soldiers in an IRA attack.

She was given a nine-year jail sentence, but was immediately released by a German judge because she had been held in

prison for six years while awaiting trial on a number of charges, including murder, in Belgium, Holland and Germany.

Photographs showing Maguire as a dark attractive woman concentrating on her over the years, in effect turning her into something of a national figure and a symbol of republicanism. She has attracted headlines such as "IRA's top gun girl".

The compensation award arose from a 1985 incident in Maguire's home town of Newry, Co Down in which she said she fell after her foot was trapped

in a broken paving stone. She told the court: "I have had to give up dancing, jogging and swimming because the ankle swells up. I can't wear high heels and the ankle is not very stable when I walk on rough ground or gravel." Her ankle is said to be scarred and swollen.

Tory MP David Wilshire described the award as shocking and obscene and called for a change in the law. Ulster Unionist MP Ken Maguire said it was a disgrace.

Tripping claims cost the Northern Ireland authorities in excess of £6m a year.

Maguire: Terrorist who cannot wear high heels

# Mistress loses vasectomy damages claim

PETER VICTOR

Family planning clinics cannot be held responsible when a married man whose vasectomy operation has reversed itself makes a mistress pregnant, two Court of Appeal judges ruled yesterday.

Lord Justice Peter Gibson said the British Pregnancy Advisory Service had no duty of care or responsibility to di-

vorce teacher Alison Goodwill when they gave advice to Ross MacKinlay during his lifetime.

"At that time they had no knowledge of her, she was not an existing sexual partner of Mr MacKinlay but was merely, like any other woman in the world, a potential future sexual partner of his, that is to say a member of an indeterminately large class of females who might

have sexual relations with Mr MacKinlay during his lifetime."

Lord Justice Thorpe warned that any woman starting a sexual relationship has a duty to protect herself against unwanted pregnancy and to take independent advice on whatever facts her lover tells her. He added: "A woman exploring the development of a sexual relationship with a new partner takes much on trust before ex-

perience corroborates or exposes his assurances."

They threw out a damages claim against the BPAS by Mrs Goodwill, now 48, of Oxford, and allowed an appeal by the clinic against the refusal of Oxford Crown Court in March last year to dismiss the claim as being "frivolous or vexatious".

Cherie Booth QC, representing Mrs Goodwill, had told the judges that the BPAS

arranged a vasectomy for Mr MacKinlay in 1984. The service informed him three months later that semen samples were negative and that he no longer needed to use any other form of contraception.

In March 1988, Mrs Goodwill began a relationship with Mr MacKinlay, who told her of his operation. She had her coil removed in May that year, but neither knew that the vasectomy

underwent a spontaneous reversal. A year later she became pregnant, but by the time she realised it was too late for an abortion and she gave birth to a daughter on 5 November 1989.

Mrs Goodwill claimed that the BPAS was negligent because it failed to warn Mr MacKinlay that a future sexual partner could be made pregnant if the vasectomy reversed itself. She

claimed she suffered loss and damage because of the cost of the birth, her daughter's upbringing and loss of income.

Miss Booth argued that a doctor performing a vasectomy owed a duty of care not only to the current person's partner but also to any other with whom the man had sexual relations.

But Lord Justice Gibson ruled: "The doctor who performs a vasectomy on a man on

Trendsetting queen: The woman who put sex and orgasms into women's magazines, encouraging a have-it-all culture, is giving up her crown



Image maker: Helen Gurley Brown, founder of *Cosmopolitan*, who started a trend that has been copied by a host of other women's magazines  
Photograph: Colonic

## Original 'Cosmo' girl calls it a day

MARY BRAID

Helen Gurley Brown, the founder of *Cosmopolitan*, and the woman who will be forever remembered for putting the orgasm into women's magazines, is finally to retire.

Ms Brown, 73, brought the have-it-all *Cosmo* girl - with her shockingly strident sexual and career demands - to London in 1972, seven years after she took over and resurrected the ailing *Cosmopolitan* title in New York.

With a revolutionary but hardly complicated mix of sex, sex and more sex she shattered forever the knitting and recipe mould that had previously dominated the market. Instead there was a series of nude male centrefolds, including Vidal Sassoon and Paul de Feu, Germaine Greer's former husband, and ground-breaking cover page headlines like "Who Me? VD", which led to an advertisement ban on the London Underground.

Her simple and timely formula was eventually adopted by *Cosmo* staff in 34 countries and became *de rigueur* for a host of British magazines which followed in *Cosmo*'s steps.

Today many would see Ms Gurley Brown - X-ray thin, with tight uplifted face, false eyelashes and an enduring attachment to red mini-skirts - as a curious advertisement for female power or feminism. Ms Gurley Brown, who insists she still epitomises the *Cosmo* girl, is seen by some as the setter of a trend which has since made magazines sex obsessed to the point of obscenity and the exclusion of all other subjects.

But yesterday British maga-



The changing face of 'Cosmo' girl: Covers of, from left, October 1937, February 1968, June 1971, January 1996

zine editors lined up to praise the woman they say revolutionised magazines and women's self-image and the way men saw them.

They argue it is hard to fully appreciate the impact Ms Gurley Brown made more than two decades ago.

The endless orgasm articles seem unremarkable today. But Desidre McSharry, early editor of *Vogue*, said yesterday: "When *Cosmo* started lots of people did not know how to pronounce orgasm."

Jane Proctor, editor of *Tatler*, remembers the power of initial impact. On the day it launched it sold 365,000 copies and was sold on the top shelf because some newsagents thought it belonged with the soft porn.

"I was 16 and at school in Harley Street and my friends and I thought it was fab," she said. "Orgasms - we had never seen stuff like that before. The end of the 1960s was permissive and to decide the direction of their lives."

Important though the new sexual openness was, the intimate relationship between reader and magazine opened up

this world. What *Cosmo* did was to take the revolution beyond the London élite.

Ms Proctor's other recollection of *Cosmo*, illustrating how hard it played the sex card, involved a search for a 92lb penis puffed as an article on the magazine front. As a junior, she and two senior executives at *Tatler* scoured the magazine orages looking for the article. They found it in a story on whales near the back.

"Before *Cosmo*, sex never entered into magazines," said Sally O'Sullivan, editor-in-chief of *Ideal Home*. "It became the backbone of *Cosmo*. I wouldn't necessarily call her a feminist but she was so pro-women. She began a process which is still continuing. The idea that women gain self confidence and be able to decide the direction of their lives."

She was 41 when the giant publishing house Hearst gave her the *Cosmo* title. She first aired her idea of modern womanhood in 1962 in her book, *Sex and the Single Girl*, which dared to suggest that single women could not only have sex - and even insist upon

it - but anything less carnal they set their sights on.

Sally O'Sullivan said: "Haven't all moved on from the original *Cosmo* girl. Women are now intrinsically tied up in balancing family and career."

But Ms Norwood said the message was still that you had to have confidence and live your life the way you wanted to. The original *Cosmo* girl, like Ms Gurley Brown, did not have children. Ms Norwood has one and another on the way. Despite the modern focus on the strains between home and career Ms Norwood maintains *Cosmo* women can still have it all. "It not about sacrifice and compromise but prioritising." She says that talk about compromising career for children, or sex life for career is too negative.

Ms Gurley Brown says she is an inspiration. "She came in a couple of months ago wearing a navy body and a mini skirt. She had amazing breasts and a fantastic body."

## Spirit of Godiva rides again as cathedral celebrates cars

CHRISTIAN WOLMAR  
Transport Correspondent

A naked woman, daubed with anti-car slogans and sporting a fury hat, reduced a cathedral service to near-chaos yesterday as 1,000 people marked 100 years of the motor car.

The 28-year-old woman was dragged away, police and stewards struggling to cover her, shouting: "The motor car is a killing machine. You are killing each other and you are killing the next generation."

Clergy were too stunned to move as the woman, who goes by the name of "Angel", tried to shackles herself to the pulpit as Prince Michael of Kent sat, with other car worshippers, rooted to their pews.

Emulating Lady Godiva, the 11th-century English countess who rode naked through the streets of Coventry on a horse

in support of tax cuts, she threw off her coat and cried: "In the spirit of Lady Godiva, I am here to mourn the death of my mother and the 17 million people killed directly by the motor car and to remember the mothers who have lost their children, the orphaned children, our brothers, sisters, fathers and friends. Mother Earth forgive us."

Angel, from Glastonbury, said her mother was killed in a car accident. She read out virtually her whole alternative litany haranguing the car industry before she was led out of the cathedral by police officers.

About 100 protesters, spearheaded by Angel, managed to hijack what should have been a celebration of Coventry's historic links with the motor car. A collection of classic cars such as a Jaguar E type and a Hillman Imp was overshadowed by the protest.

Joanne Browning, whose baby daughter Alice was killed while travelling in the back of a car, said: "Why are they celebrating a machine in church? Are they going to have another ceremony for the washing machine? The car industry is totally irresponsible as it builds faster and faster machines with a causal disregard for safety."

The start of the service missed when smoke from the 1897 Coventry Daimler driven down the aisle to launch proceedings all but choked the car worshippers.

When the service did get started, it was obvious that the church authorities had already realised that in this age of collective angst about the pollution and carnage caused by the car, they could not celebrate it simply as an unequivocal benefit to humanity. So the Provost, the Very Rev John Petty, started off

with what was pretty much an apology for the blessed vehicle, asking God's forgiveness for the "environmental pollution from exhaust fumes, the relentless encroachment of new roads into our countryside and the appalling toll of death and injury".

The assembled captains of the motor industry clearly listened at this speech but were more taken aback when, in the nature of an officially sanctioned protest, Coventry University students put on a short play.

Making music by banging an assortment of car parts together,

they sang "the car has another dimension I'm almost too modest to mention, it's a boudoir for lovers who smooth on the covers and sometimes destroy the suspension."

The industrialists were finally let out after an hour and a half only to be boozed by the protesters outside.

## Fears grow for abducted girl, 5

JASON BENNETT  
Crime Correspondent

Hopes of finding alive a five-year-old girl who was taken from her bed in the early hours of Sunday were fading last night.

Rosemary McCann was probably abducted while her mother visited neighbours in Oldham, Greater Manchester, police believe. Detective Superintendent Ron Gaffey, who is leading the hunt for the girl, said yesterday that the situation was very serious. "She is only five years old and if she is on her own somewhere the chances are getting slimmer by the minute. Time is important in this case. I am extremely concerned and that concern is increasing by the hour."

Andrew Pountney, 31, a disc jockey, of Kew Road, Oldham, was remanded in custody yesterday when he appeared before magistrates accused of abducting Rosemary. Mr Pountney, a friend of Rosemary's mother,

will reappear in court tomorrow. He made no application for bail and is expected to be questioned again about the girl's whereabouts while in custody.

Meanwhile mountain rescue teams, police divers and British transport police helped search houses, woodlands, railway tracks, and open water close to Rosemary's home.

Mr Gaffey said possible sightings, including some from other parts of the country, were being followed up. Shortly after her disappearance a motorist told police he had given a man and a girl answering Rosemary's description a lift to a housing estate in Oldham.

Police have not ruled out the possibility that Rosemary could be held or locked up somewhere in the area.

"She could be imprisoned somewhere on her own," Mr Gaffey told a news conference.

"She could be dead, but we hope that is not the case and we still hope to find her safe and well."

## Lyceum goes to Lloyd Webber

JOHN MCKIE

Sir Andrew Lloyd Webber yesterday announced plans to stage a revival of *Jesus Christ Superstar* in the theatre that the troubled Royal Opera House rejected. It will be the first show at London's Lyceum Theatre since 1939.

Apollo Leisure, which is renovating the Lyceum in time for the show's November opening, had offered the theatre as a possible home for the ROH, which has still to find accommodation for two seasons from autumn 1997 while its Covent Garden base is refurbished.

The Royal Opera House turned down the Lyceum last November, pinning its hopes on a theatre at Tower Bridge which is still to be built. The ROH, which has faced staff picketing over imminent redundancies as well as adverse reaction to Tuesday's BBC2 documentary, has still to find a suitable partner for the venture.

# TELL THE HEALTH AND SAFETY PEOPLE WHERE TO GO.

If you own or manage a small business, the Health & Safety Commission want to hear from you.

We're reviewing our services to small firms, and we need your help.

Our aim is to make it easy for you to work safely, healthily, efficiently and within the law.

Your views are important. Please call us on 01787 882233 and ask for your copy of our short discussion document (DDE 5) with pre-paid reply form, or complete the coupon.

We look forward to hearing from you.



Please send me a free copy of HSC's Short Discussion Document (DDE5)

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_ Tel No. \_\_\_\_\_

Nature of Business \_\_\_\_\_

Send coupon to: HSE Books (Dept 616) PO BOX 1999, Sudbury, Suffolk, CO10 6FS.

1/18/96





# 6 politics

## Labour boost for employee share schemes

DONALD MACINTYRE

Political Editor

Labour will today project itself as the party of wider share ownership, in a daring attempt to outflank the Government in the debate over the "stakeholder economy" unveiled by the party's leader, Tony Blair.

In a keynote speech, Alistair Darling, the party's City spokesman, will unveil moves to encourage employee share ownership, and will argue that, contrary to popular belief, individual share ownership has declined under Tory rule.

The latest attempt by the party to redefine its attitude to private shareholding came as the leadership disassociated itself from unwelcome trade union suggestions that "stakeholding" would require fresh legislation on workers' rights.

The Tory high command seized on remarks by John Edmonds, general secretary of the GMB union, in which he said workers needed new rights to deal with insecurity, the ease with which they can be sacked, and their lack of information about company policy.

Mr Edmonds had said on BBC Radio: "There will be even more need under a stakeholder economy for trade union support, to ensure those individual rights are properly implemented."

But Brian Mawhinney, the Tory chairman, said Mr Edmonds' remarks, and an earlier newspaper article by John Monks, general secretary of the TUC, emphasising the unions' role as "stakeholders", showed that Mr Blair was seeking to turn the clock back to union control.

While Mr Monks insisted that a stakeholder economy did not mean a return to the 1970s, Dr Mawhinney said Labour's new theme amounted to "a deal under which Labour's old friends in the trade union movement would get back all the power and privileges they abused in the 1970s."

"You cannot be serious about a stakeholding economy if you remain tied to the unions," In his article, Mr Monks stressed unions were committed to securing economic success.

Mr Darling, who yesterday dismissed the idea that the

stakeholder concept implied a fresh raft of legislation, will insist that one key element would be the role employee share ownership can play in motivating the workforce. He will argue that the proportion of shares held by individuals decreased from 20 per cent in 1981 to 18 per cent in 1993. He will say Labour envisages a world in which employee share ownership will be seen as "not an optional extra, not as something unusual but as the norm in our dynamic economy".

Yesterday Mr Darling declared: "All history shows if you pass rules and regulations to try and force someone to change their culture, it doesn't work."

"You have to convince people that the only way they are going to succeed is firstly by ensuring that everybody who works for a company, from the boardroom to the shopfloor, feels involved in making that company successful."

Kenneth Clarke, the Chancellor, attacked the Labour initiative as "empty flame". He said: "It is waffle. It is devoid of any sensible meaning."

Semi-detached rebel: Sir Richard Body 'temporarily' accepts Government whip



Photograph: Peter Macdiarmid

Thin blue line: Sir Richard Body leaving Downing Street yesterday after increasing the Tory majority to five

**PC WORLD** THE COMPUTER SUPERSTORE

# SALE

HURRY ENDS SOON!

**SAVE £100**

**MULTIMEDIA PC AND COLOUR INKJET PRINTER**

**PACKARD BELL 905D MULTIMEDIA**

► Intel Pentium 75MHz processor.  
► 8MB RAM, 850MB hard disk.  
► Quad speed CD-ROM drive, stereo soundcard & speakers.  
► Over £1000 worth of software!

**LEXMARK WINWRITER 150C**

► 600 x 300 DPI resolution.  
► 3 pages per minute print speed.  
► Free CorelDraw 4.  
Was £1599.

**£1499 EX VAT**

**SAVE UP TO £200**

**ON MULTIMEDIA PCs**

**ADVENT** NEW

486DX2 66MHz processor, 4MB RAM, 540MB hard disk, 0.28 dot pitch, 14" SVGA monitor, Dual speed CD-ROM, soundcard & speakers, MSDOS, Windows, 5 CD titles. MODEL: A28 MULTIMEDIA HURRY LIMITED STOCKS

**PACKARD BELL** NEW

Intel Pentium 75MHz processor, 8MB RAM, 1.2GB hard disk, Quad speed CD-ROM drive, stereo soundcard & speakers, Fax modem/ansaphone, remote controlled communications card, Radio card. Over £1,000 of software! Was £1529.

**£749 EX VAT**

**166 MHz**

**APRICOT** NEW

166MHz INTEL PENTIUM PROCESSOR. Twice as fast as a Pentium 75MHz.  
16MB RAM, 1.2GB hard disk, 14" SVGA colour monitor. Quad speed CD-ROM drive, stereo soundcard & speakers, Fax modem with On-line software. Software included: Windows 95, Lotus SmartSuite v4, Quicken, CorelDraw & Discoversware. Monitor upgrades available - 17" EVGA 14100 extra ex VAT, 17" EVGA 14100 extra ex VAT.

**£1599 EX VAT**

**HEWLETT PACKARD** NEW

Colour Inkjet Printer  
Brand new version of LaserJet 1300. Lotus WORDPRO, Lotus APPROACH, Lotus POWERPOINT and Lotus ORGANISER. Now enhanced for use with Windows 95 (Upgrade). Was £199. MODEL: SMARTSUITE 95

**£2599 EX VAT**

**STORES NATIONWIDE**  
**0990 464 464**  
**OPEN 7 DAYS A WEEK**

**\*6 MONTHS INTEREST FREE OPTION OR 48 MONTHLY REPAYMENTS ON ALL PCs**

Full details available. Access to early interest free if repaid in full before the 6th monthly payment. Typical example: cash price £1,000, no deposit, base rate 12.00%. Extra pay 6 monthly payments of £23.07 and the balance of £201.56 within 6 months (total annual payable £2,100). APR 10% OR 48 monthly repayments of £23.07 (total amount payable £1,567.37 APR 27.7%). Subject to status. Written quotations available on request from: DEPT FPO/MK/PCW, MAYLANDS AVENUE, HERMEL HEMSTEAD, HPS 7TG.

**APR 27.8%**

**ALL PRICES SHOWN EXCLUDING VAT. VAT WILL BE CHARGED AT 17.5%.**

INTEL INSIDE and PENTIUM LOGOS ARE TRADEMARKS OF THE INTEL CORPORATION. \*\* SPECIAL PRICE WHEN BOUGHT WITH ANY MODEM.

**INTEREST FREE OPTION ON ALL DESKTOP AND PORTABLE PCs\***

**SAVE UP TO £50**

**ON PERIPHERALS**

**DIGITAL** NEW

Ultra slim design, 486DX2 50MHz processor, 8MB RAM, 9.5" dual scan colour display. Integrate business audio. MODEL: HI-NOTE ULTRA CS 450 Includes PCMCIA Modem

**£1749 EX VAT**

**APPLE** NEW

600MHz processor, 8MB RAM, 500MB hard disk, 14" dual scan colour display. Touch pad pointing device. Was £1899. MODEL: APPLE 5300CS

**£1799 EX VAT**

**IBM** NEW

486DX4 75MHz processor, 8MB RAM, 360MB hard disk, 10.4" dual scan colour display. Butterly expandable keyboard. MODEL: IBM ThinkPad 701 DS3 Includes leather case.

**£1849 EX VAT**

**SAVE UP TO £30**

**ON PRINTERS**

**LEXMARK** NEW

Colour Inkjet Printer  
600 x 300 DPI resolution, 3 pages per minute print speed. Free CorelDraw 4. Was £299. MODEL: WINWRITER 150C

**£269 EX VAT**

**EPSON** NEW

Colour Inkjet Printer  
720 DPI resolution. Up to 4 pages per minute. Apple Macintosh RS232 & Windows 95 compatible. Was £299. MODEL: STYLUS II

**£279 EX VAT**

**COMMUNICATIONS** NEW

Send/receive/manage faxes. Specifically designed for Windows 95. View all fax and e-mail messages in one place. Windows 95 multitasking. Usually £99. MODEL: STYLUS II

**£49 EX VAT**

**INTEGRATED SOFTWARE** NEW

Brand new version of Lotus 1-2-3, Lotus WORDPRO, Lotus APPROACH, Lotus POWERPOINT and Lotus ORGANISER. Now enhanced for use with Windows 95 (Upgrade). Was £199. MODEL: SMARTSUITE 95

**£179 EX VAT**

**PC WORLD**

THE COMPUTER SUPERSTORE

## Whitehall farce as Tory returns to fold

COLIN BROWN

There was no white coat, but distinct signs of flapping within the Government last night over the restoration of the whip to the Tory Euro-rebel Sir Richard Body.

The veteran MP for Holland with Boston caused confusion and a set-back for John Major after saying he had accepted the whip "temporarily" and could resign again if he is not satisfied with assurances about European fishing policy.

Sir Richard yesterday was officially welcomed back to the fold at a lunch at 12 Downing Street by Alastair Goodlad, the Government chief whip.

Mr Major, who once said he heard "the flapping of white coats" every time he heard Sir Richard's name, diplomatically stayed two doors away in No 10.

Mr Goodlad later issued a statement saying Sir Richard was "in receipt of the whip". The whips breathed a sigh of relief that the Government's wafer-thin majority had been increased.

"We are now five," said one. Unaware of this, Sir Richard issued a statement saying that he had not taken the whip, although he promised to support the Government in votes where he could.

Five minutes later, Sir Richard, after consulting the whips' office, issued a new statement that he had "temporarily" accepted the whip.

The confusion technically meant John Major's Commons majority yo-yoed from five to

## Condon warns of weapon culture

JASON BENNETT

A gun and knife culture is emerging among gangs of youths, one of the country's most senior police officers warned yesterday.

Sir Paul Condon, the Metropolitan Police Commissioner, said action needed to be taken to stop the "frightening" development. He told the Commons Home Affairs Select Committee that the number of incidents involving knives in London had risen from 2,332 in 1993 to 2,550 last year.

He told the committee of MPs: "There's a growing willingness, particularly by young criminals, to carry knives and guns in circumstances which I find very disturbing and as a society we must do our best to counter that."

He added: "We have an increasing number of loose alliances of young people whether for street robbery, bullying or extortion and there's a growing willingness by young people to carry knives. This is what the police on the street say... I believe we must stamp on that firmly."

He went on to warn of the "emerging knife and gun culture" among young people.

Sir Paul said he welcomed a private member's bill which will increase the maximum penalty for carrying a knife to six months and gives greater powers of arrest. He would also support any measures to stop the advertising of knives in shops and mail order catalogues that "celebrate" the weapons or suggests they are mainly to own.

On the day before the police are due to announce trials of CS spray in 18 forces, he backed the use of the incapacitant and argued that it could reduce the numbers of injuries that police and offenders receive.

He would have preferred to trial pepper sprays in London but had ruled out the devices after medical experts suggested they could be dangerous to asthmatics and pregnant women.

He said that new longer and extendable batons had made "a dramatic" difference to the number of assaults on police officers.

# Mountaineers attack 'licence' plan for Alps

STEPHEN GOODWIN

British mountaineers have condemned an attempt to introduce "licences" for people wanting to climb in the high Alps.

Sir Chris Bonington, President of the Alpine Club, said the idea of licences, proposed by Amedeo Amadeo, an Italian MEP, was "total anathema". And the plan is likely to be met with disapproval by Britain's 150,000-strong climbing community.

Climbers have a fierce attachment to the anarchic nature of their sport. While qualifications and certificates are the rule for instructors and guides, any constraints on the freedom of individuals would be regarded with horror. Sir Chris urged "climbers in every country" to do "all they can to resist" the imposition of licences.

In a written question to the European Commission, Mr Amadeo called for a series of aptitude tests for anyone wishing to "climb or explore glaciers". In effect this would cover most of the Alps above the tree line - hitting climbers, skiers, mountaineers and high-level walkers.

A "European licence" would undoubtedly lead to a drastic reduction in the number of accidents, the MEP said, pointing

out that 31 people died in the first nine months of 1995 in the Italian Alps alone.

"Many tourists go climbing and often treat mountaineering as a game, setting off without proper training or equipment, thinking that they know what they are doing," he said.

So far there has only been a holding answer from Marcelino Oreja, the Spanish Commissioner for Culture, saying that information is being collected.

But the views of the mountaineers themselves have not been sought. The British Mountaineering Council only heard of the proposal by chance, when one of its 34,000 members spotted it in the European Union's official journal.

Roger Payne, the BMC general secretary, has written to the Commission expressing "extreme concern" at the idea of a licence and urging Brussels to seek the views of national mountaineering federations. He has alerted the Italian Alpine Club and the British MEP Angela Bellingham, who is a member of the European Parliament sport group.

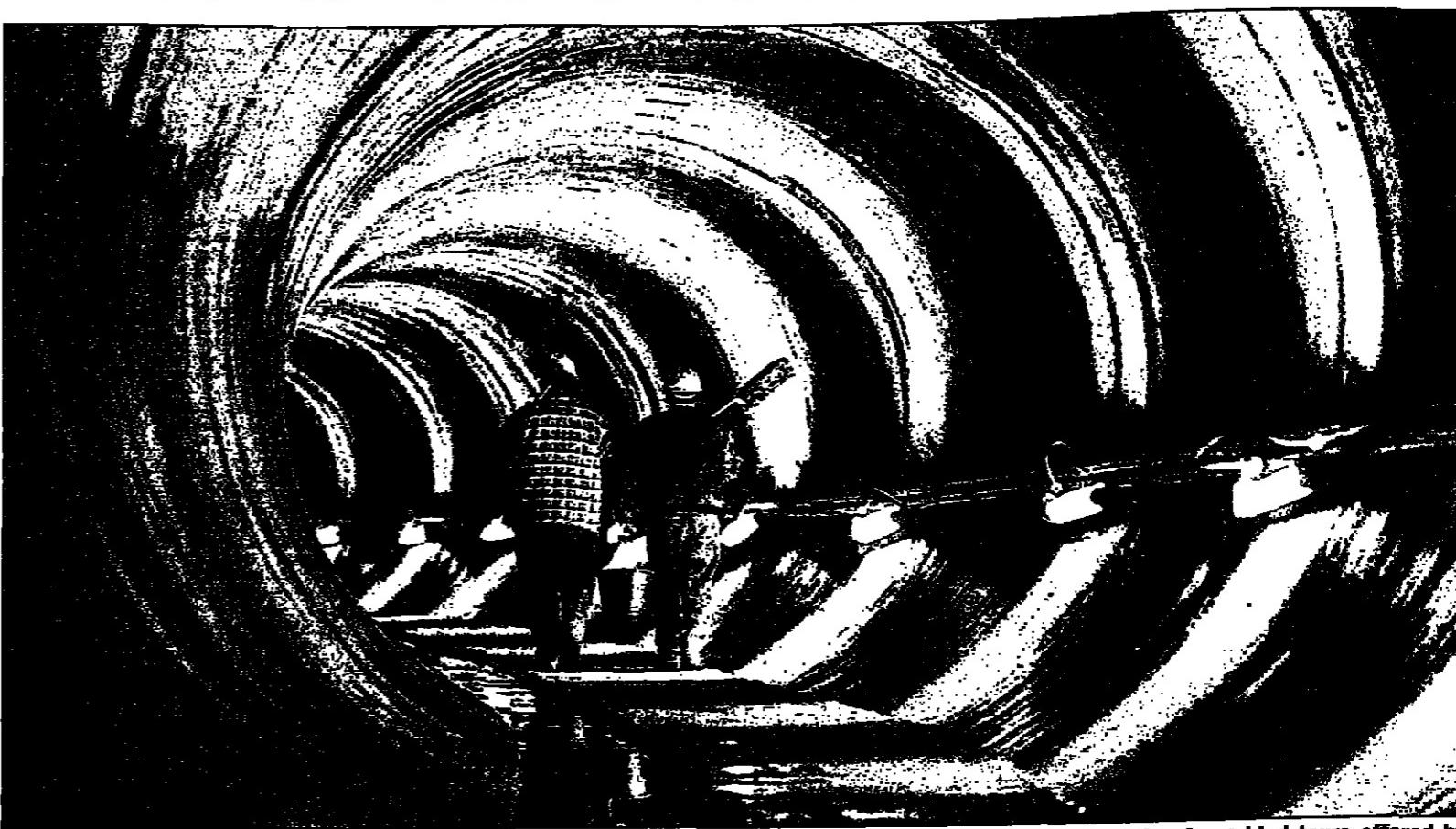
The BMC's view is that safety in mountaineering is achieved through personal responsibility and self-reliance," Mr Payne said. "We would see

this as a terrible infringement on people's basic freedom to visit the mountains."

Last autumn, the BMC mounted a successful campaign against a proposal before the Council of Europe calling for "legally enforced" climbing bans on cliffs important for biological and landscape diversity. Strictly enforced, it would have covered most of the popular crags in Britain.

The ban was part of a Pan-European Biological and Landscape Diversity Strategy - Europe's response to the 1992 Earth Summit - but John Gummer, Secretary of State for the Environment and other environment ministers decided further work needed to be done.

**Underworld revealed: Workers cleaning up sewer tunnels at Whitley Bay, Tyne and Wear, yesterday in preparation for guided tours offered by Northumbria Water to residents who have suffered three years of disruption during a £21m upgrading of the system. Photograph: Owen Humphreys**



## Contract loss threatens shipyard jobs

CHRIS BLACKHURST  
Westminster Correspondent

Fears are mounting for the jobs of 5,000 workers at Britain's biggest shipyard, at Barrow-in-Furness, Cumbria, following the Government's decision not to make it the prime contractor on the new "Batch Two" Trafalgar Class submarine programme.

The decision, announced just before the Parliamentary Christmas recess, has provoked real anxiety among the workforce at VSEL. Some workers have been informally briefed by junior managers to brace themselves for the worst and to try to find new jobs in the next two years.

But in a place as isolated as Barrow, that is easier said than done. Since 1990, VSEL, which is by far the largest employer in the town and in south Cumbria, has seen staffing levels plummet from 14,000 to around 5,000.

With work on the Trident

submarines due to end in the next two years, speculation is growing that VSEL could be mothballed until new orders are secured.

A delegation of local town and county political leaders and trade unions returned to Barrow yesterday after hastily arranged private talks with Lord Weinstein, head of GEC, which bought VSEL last year. They were accompanied by John Hutton, Labour MP for Barrow and Furness, who described the meeting as "constructive".

Clive Kitchen, area official of the engineering union AEEU, also met Weinstein and said there were real worries over the shipyard's short-term prospects. The awarding of the Trafalgars away from VSEL meant it faced a shortfall in new work, especially on the design side.

Even if Barrow wins the orders for the Royal Navy's new helicopter landing platform ship and the replacements for HMS *Fearless* and HMS *Intrepid*, there was still a possibly lengthy period during which no submarines or surface vessels would be built. The yard would be redoubling its efforts to secure orders for commercial vessels. "We need alternative work," Mr Kitchen said.

The contracts for the Trafalgars have gone to a consortium comprising GEC-Marconi, Rolls-Royce and AMEC. That successful bid was not as well advanced as VSEL's, and relied upon a completely different design. The GEC-Marconi plans were submitted before GEC bought VSEL.



John Hutton: Meeting with GEC head "constructive"

## Jail for mother who killed child with salt

A mother who deprived her baby of sufficient food and eventually poisoned the child by giving her huge amounts of salt was jailed for five years yesterday.

Karen Fox, 35, of Telford, Shropshire, was convicted by a Stafford Crown Court jury last October of the manslaughter of her daughter Hedwen and cruelty towards another child. Sentence was delayed for reports.

The jury heard that Fox, a mother of three, severely restricted the 21-month-old Hedwen's growth by preventing her from eating properly.

While Hedwen was receiving treatment, Fox interfered by periodically administering salt, leading to the child's death.

It was thought Fox may have been affected by "Munchausen's syndrome by proxy", a condition causing someone to inflict injury on another in order to draw attention to themselves.

Passing sentence in London yesterday, Mr Justice Keene said he had considered imposing an indeterminate life term in the light of a psychiatrist's report indicating that Fox might be a danger to the public.

"Although I am not entirely satisfied that you will not be a danger, a life sentence would not be justified," he told her.

He directed that psychiatric reports should be sent to the Home Office and the Parole Board.

**AA**  
**JOIN NOW FROM JUST £36**  
To join, call free now on  
**0500 444 999**  
and ask for extension 6911.  
Immediate cover available.



Welcome to Paris for an unforgettable weekend. Up to 31st March 1996 two people travelling together from London Heathrow and sharing a room for two nights with continental breakfast at a 3 star Mercure Hotel will pay £99 each. For just £20 per person extra, accommodation could be in a deluxe category Meridien Hotel. In association with the Paris Tourist Office you will also be offered at no additional charge the "Paris-Visite" package with bus and metro pass and the "Carte Musées et Monuments" which gives you priority and free admission to 65 museums and monuments in Paris. When you visit the most famous department stores in Paris, Printemps and Galeries Lafayette, a special gift will be waiting for you. You will also receive a duty free discount voucher to use at Charles de Gaulle Terminal 2. Departures available from Birmingham, Manchester and Edinburgh with a supplement. For more information and reservations, call Air France Holidays on 0181-742 3377, Cresta Holidays on 0161-927 7000, Paris Travel Service on 01992-456000, Travelscene on 0181-427 4445 or ask your Travel Agent.

## international

**Chechen siege:** Reporters ordered away as Russian infantry withdraws before start of rocket bombardment to flatten village  
**'We have decided to finish the operation'**

PHIL REEVES  
Pervomayskoye

It has become a shameful piece of domestic business that the Kremlin no longer wants the world to see. For two days we watched from the sidelines as Russian artillery pounded a village held by Chechen rebels, regardless of the probability that they also were slaughtering men, women and children being held there at gun point.

For two days we watched with disbelief as the Russian military sent in its best forces, only to have them repelled by no more than 150 lightly armed fighters. Now, as the rifle-waving soldiers gathered around us made only too clear, they wanted journalists out of the area.

We would have to move to another village, one well out of sight of the next episode in the battle of Pervomayskoye: the utter destruction of the place and all its occupants, including any hostages still alive. When governments set about killing their own, they prefer to do so away from the public's gaze.

The change in tactics was announced by Major General Alexander Mikhaylov, chief spokesman of the Federal Security Service (FSB). It was clear, he announced, that the "bandits" had been killing their hostages, scores of Dagestanis unlucky enough to have been in Kizlyar last week when the Chechens stormed in and rounded them up in a hospital, later adding 37 policemen from Siberia to their number.

Moreover, he continued, the Chechens had attempted to break through Russian lines on Tuesday night, killing six soldiers and injuring 38. Front-line officers had seen the bodies of six of the Siberian policemen strung up in the village and the hostages were "practically" all

dead, a claim he made no attempt to collaborate, although he blamed the rebels for killing them all. "The decision has been taken to finish the operation," he concluded.

Three nearby Grad missile launchers that had appeared overnight a few hundred yards away, their 32 rocket tubes pointing into the heart of the village, left no doubt what "finish off" meant. But the general was willing to elaborate. "There will be massive fire. You'll see." The Russians plan to level Pervomayskoye in an attempt to bring a swift end to a battle that is a moral defeat and a military humiliation, no matter what the outcome.

We woke yesterday to find scores of Russian infantrymen gaunt with exhaustion, many still bearing a red facial bruise caused by rifle recoil, plodding away from the battlefield and boarding a fleet of buses.

"We are all getting out and then we are going to fuck them with the Grads," said one.

Although they represented the elite of the Russian forces, professional troops from the Alpha anti-terrorist unit and the Ministry of Interior SOBR rapid-reaction force, they had been beaten back by the Chechens and their leader, Salman Raduyev. Now they were being withdrawn to allow the levelling to commence.

The Russians have supplied differing explanations as to why the cream of their forces was humbled so decisively, despite having their path cleared by prolonged artillery shelling. They have complained about Chechen snipers their elaborate network of trenches and their speed and agility.

One SOBR commando described how he and his unit were within 20 metres of the mosque the Chechens were using as



Fire power: A Russian Grad rocket being fired into Chechen positions in Pervomayskoye, in a sign that the army has given up hope of freeing the hostages. Photograph: AP

their headquarters. Then they realised the rebels had drawn them into a trap and were starting to surround them. "Five minutes longer and it would have been too late," he said.

Yet it is hard to believe that other factors were not also at work – an unwillingness to kill their fellow countrymen, per-

haps, or a poor military command structure, or the low morale of an army which knows it is up against an enemy that is willing to die for its cause.

Last night, as darkness closed in on northern Dagestan, we waited for the "massive fire" to begin. For several hours a hush had fallen over the village, in-

terrupted only by the occasional flood of shells, like a bad tempered neighbour repeatedly slamming a heavy door.

Yet the relief that the lull in the Russian bombardment brought was overshadowed by a strong feeling that we were looking across the fields at a hideout for condemned men.

No one expects the rebels to surrender.

It was also shattered by the Russians who suddenly unleashed the Grads, five or six at a time, which made an arc across the landscape and landed with a bone-jarring thump.

For the next few hours we could see them hurtling in, one after another. This was probably not the full-scale onslaught the Russians promised. That, it seems, is yet to come.

When it does, it will cap a dismal episode for President Boris Yeltsin and Mikhail Barusov, head of the FSB, who has run the operation here in Dagestan. Before resorting to full-scale military action, they had a moral obligation to use every means at their disposal, from negotiations, however unlikely to succeed, to psychological warfare to settle the matter. Every shell that lands on Pervomayskoye in the next few days will be a bloody reminder they failed to do so.

## Hijacked ship creeps towards Istanbul

HUGH POPE  
Istanbul

The scratchy voice on the ship-to-shore telephone from the hijacked ferry *Avrasya* is that of the leader of the pro-Chechen gunmen holding more than 100 Russian tourists, seamen and traders hostage in the Black Sea.

It is also something of an echo from the bloody wars of Russia's past. Mohammed Tokcan and his half-dozen gunmen are now known to come from a disciplined and motivated community of Turkish citizens descended from more than a million people forced to flee the Tsarist and Soviet conquests of the Caucasus in the past century.

"We have done this in the name of unity and independence of the North Caucasus

state [of 1918]," Mr Tokcan said in one of many confident telephone interviews on Turkish television as the ship, seized in the port of Trabzon on Tuesday, steamed west at a steady 10 knots towards Istanbul.

Mr Tokcan has vowed to blow up the privately-owned, Turkish-rented 3,300-ton Panamanian-flag vessel in Istanbul's busy Bosphorus strait if Russian troops do not stop their assault on Chechen hostage-takers holed up in a Dagestan village.

Last night the *Avrasya* was steaming towards Sinop, where Mr Tokcan said he might release some of the hostages. Turkish officials warned of heavy seas and the dangers of *Avrasya*'s lack of fuel, but the captain and hijackers said everybody on board was well, eating and

sleeping in their cabins "as normal". If the ship has enough fuel, she is expected in Istanbul tomorrow.

The ship was seized while passengers were boarding and nobody is sure of the numbers: estimates say there are from 100 to 150 Russians, about 40 Turks, 40 Turkish crew and a sprinkling of other former Soviet nationalities.

The only casualty so far reported has been a Turkish port official, slightly wounded in the foot when he initially tried to oppose the hijacking.

Mr Tokcan and his accomplices won their battle spurs two years ago fighting in the Caucasus on the same side as the Russians. They became some of the best-known of 200 Turkish citizens who fought on the side of the mostly Muslim Abkhaz against the government of

Georgia, according to sources in Turkey's north Caucasus community.

During the fighting, Mr Tokcan, who said he was descended from Abkhaz ancestors, became close to Shamil Basayev, the celebrated Chechen warrior who planned last year's brazen hostage-raid on a Russian hospital in Budyenovsk.

Turkish television even broadcast pictures of Mr Basayev showing Mr Tokcan a ceremonial sword during a recent trip to Chechnya.

Mr Tokcan has hinted to interviewers by ship radio that the order to seize the *Avrasya* came from outside, perhaps Mr Basayev himself, and his demands have concentrated on helping the Chechens.

Many Turks feel sympathy for

the struggle for independence

of their fellow-Muslims in Chechnya, but the Turkish foreign ministry spokesman, Omer Akbel, condemned the hijacking as a terrorist act. "We believe the Chechen problem should be settled by peaceful means, and we support Russian territorial integrity," he said.

The hijackers have promised to let the Turkish hostages free before blowing up the ship, but have left the fate of the Russians unclear. The Turkish security chief said his men would intervene if there was actual trip to Chechnya.

Mr Akbel said Turkey's strong stance against the hijacking should reassure Russia about where its loyalties lay. Ankara has something of a love-hate relationship with Moscow, their mutual commercial interests offset by

pictures about each others' intentions towards the mostly Turkic-speaking Muslim minorities of the former Soviet Union.

Russian bitterness was apparent in a remark by Tatyana Samoilova, spokeswoman for the Russian Foreign Intelligence Service. She told the Interfax news agency that, on more than one occasion, the service had warned Russian leaders that the Turkish authorities were "convincing with the Chechens".

She said: "One of the main responsibilities of foreign intelligence is to collect information about dangers threatening Russian security, and about the sincerity of the statements made by foreign countries in relations to the Chechens".

The Turkish spokesman, Mr Akbel, said: "Our long experience shows that none of these [terrorist actions] can be condoned — speaking with more than half an eye, no doubt, on Turkey's own image problem over the bloody conflict in its mainly Kurdish south-east."

Turkey yesterday showed reporters the bodies of 11 pro-government Kurdish militiamen massacred and burned on a lonely mountain road by the

Tigris river. They had been killed in an apparent ambush by the Kurdish Workers' Party (PKK) on Monday.

Turkey has become increasingly suspicious about the PKK's blossoming presence in Moscow, as Moscow is suspicious of some Turkish relations with the rebels in the Caucasus. But they share a desire to defeat separatism.

# Magnet Half Price

KITCHEN & BEDROOM<sup>+</sup>

# SALE

## NOW ON

ONE WEEK ONLY 50% OFF INSTALLATION

For your nearest showroom or a free catalogue - call free on 0800 555 825

OPENING TIMES: Normal opening times are Monday-Saturday 8.00-5.00. Selected branches open 8.00 on Thursday and 10.00-4.00 on Sunday. Check each branch for details.

**Magnet**  
Food for thought

## British troops ordered to arrest war criminals

MICHAEL SHERIDAN  
Diplomatic Editor

British troops in Bosnia will detain the Bosnian Serb leaders Radovan Karadzic and Ratko Mladic if the opportunity arises, the Armed Forces Minister, Nicholas Soames, confirmed yesterday.

Mr Soames said British soldiers were under orders to apprehend any of the 52 individuals sought by the United Nations international war crimes tribunal but would not seek them out. "If they bump into them at a checkpoint they will want to detain them," he said. He also reiterated that British forces would provide escorts for war crimes investigators who may want to explore the sites of suspected mass graves in Serb-controlled areas.

Mr Soames was speaking as the Ministry of Defence announced that deployment of 13,000 British service personnel would be completed on schedule by tomorrow. The warring parties are expected to fulfil their pledge to withdraw from the battlefield "confrontation lines" by the same date.

The Nato peace-keeping mission has thus reached its first 30-day deadline to the apparent satisfaction of the governments supplying troops to the 36,000-strong force, known as I-For. The Nato peace-keepers have set up a local radio station to promote their cause and they are publishing a Serbo-Croat language newspaper — called *The Herald of Peace* — to get their message across to the population.

Mr Soames said Britain was committed to exercise a "central influence" over the resolution of the Yugoslav conflict but

would not keep its forces there beyond the planned limit of next December.

The mission is for 12 months. We will go out with the Americans. We will go out with the Americans. We remain confident that the mission will be achieved within 12 months," Mr Soames said.

But Mr Soames admitted that formidable political and military problems could lie



Karadzic: Serbian leader sought by UN tribunal

ahead. Clearly distancing Britain from the US intention to train and arm the forces of the Bosnian government, he said "neither Nato nor any contingent in I-For will arm and train the Bosnian forces". The British government would not be party to any such project. "It's not on," Mr Soames said. "There is a need for realism," the minister added. He said freedom of movement for civilians remained an important issue, saying that interference by gunmen at illegal checkpoints "will not be tolerated". Western

officials are also concerned that the existing Bosnian government and the Croat political entity in Bosnia will not dissolve themselves as planned, to re-form under the new political arrangements envisaged by the Dayton peace accords.

Fears about the activities of Islamic mujahedin fighters allied to the Bosnian government seem to have eased, according to Brigadier John Reith, the Director of Military Operations. "We have no reports of mujahedin in our sector and my understanding is that by and large they have withdrawn from the country," Brigadier Reith said.

Under the terms of the Dayton accords all foreign elements were to leave Bosnia by 13 January, although Brigadier Reith conceded that some of the mujahedin may have adopted Bosnian nationality or intermarried.

None the less, both ministers and armed forces chiefs are at pains to represent the initial deployment as an almost unqualified success. Brigadier Reith said there had been some friction between troops contributing nations as forces were "rebalanced" by the Supreme Allied Commander Europe (Saceur), General George Joulwan. A Malaysian contingent had been unwilling to transfer to the British sector until ordered to, while funding and logistics problems had prevented Pakistan from sending men.

The next scheduled test of I-For's mission — "crunch time", Brigadier Reith called it — will come in mid-April, 120 days after the mission began. By then the armed forces of Muslim, Serb and Croat factions should have withdrawn to barracks.

## IN BRIEF

### Bomber sheikh's last message

New York — Sheikh Omar Abdel-Rahman was preparing to deliver a final message before being sentenced to life in prison for plots to bomb New York landmarks and kill President Hosni Mubarak of Egypt. The blind, 57-year-old sheikh and nine others were convicted 1 October of seditions conspiracy in a plot to bomb the United Nations building, FBI offices in Manhattan, two tunnels and a bridge connecting New Jersey and New York. The sheikh was also convicted in a plot to assassinate President Mubarak, a crime that carries a mandatory life sentence. AP

### 'The Scream' thieves jailed

Oslo — Four men were convicted of the 1994 theft of Norway's most treasured painting, *The Scream* by Edvard Munch, from the National Gallery. The painting was recovered undamaged three months later. Paal Enger, Bjorn Grysda, William Asheim and Jan Olsen were sentenced to prison terms ranging from six years and three months to two years and eight months. AP

### Berlusconi claims he was set up

Milan — Silvio Berlusconi, the former Italian prime minister, went on trial for corruption on charges he says were trumped up by magistrates out to wreck his political career. Mr Berlusconi, his brother Paolo and nine others are charged over alleged bribes to tax officials by his Fininvest empire. Reuter

### Evacuees go home on volcano island

Plymouth, Montserrat — The last evacuees headed home after a smouldering volcano on this British island territory subsided and the government lifted a relocation order. More than one-third of Montserrat's 11,000 people were ordered to leave the southern part of the Caribbean island early in December because of volcanic activity beneath the Soufrière Hills. Reuter

### Muzorewa to challenge Mugabe

Harare — Abel Muzorewa, Zimbabwe's first black prime minister, said he will challenge President Robert Mugabe in the March election. The Methodist bishop, who heads the opposition United Parties, is expected to garner a small protest vote. AP

### Greek hopefuls down to four

Athens — Apostolos Kaklamanis, one of five candidates to succeed Andreas Papandreou as Prime Minister, quit the race yesterday. The Parliament president withdrew his candidacy from today's vote "instead of getting a couple of dozen votes". AP

### Barbara Jordan dies at 59

Austin, Texas — Former Congresswoman Barbara Jordan, 59, whose ringing voice and unshakable faith in the US Constitution gripped the nation during the Watergate impeachment hearings, has died. Ms Jordan, the first black elected to Congress from the South since Reconstruction, had been ill for several years. AP

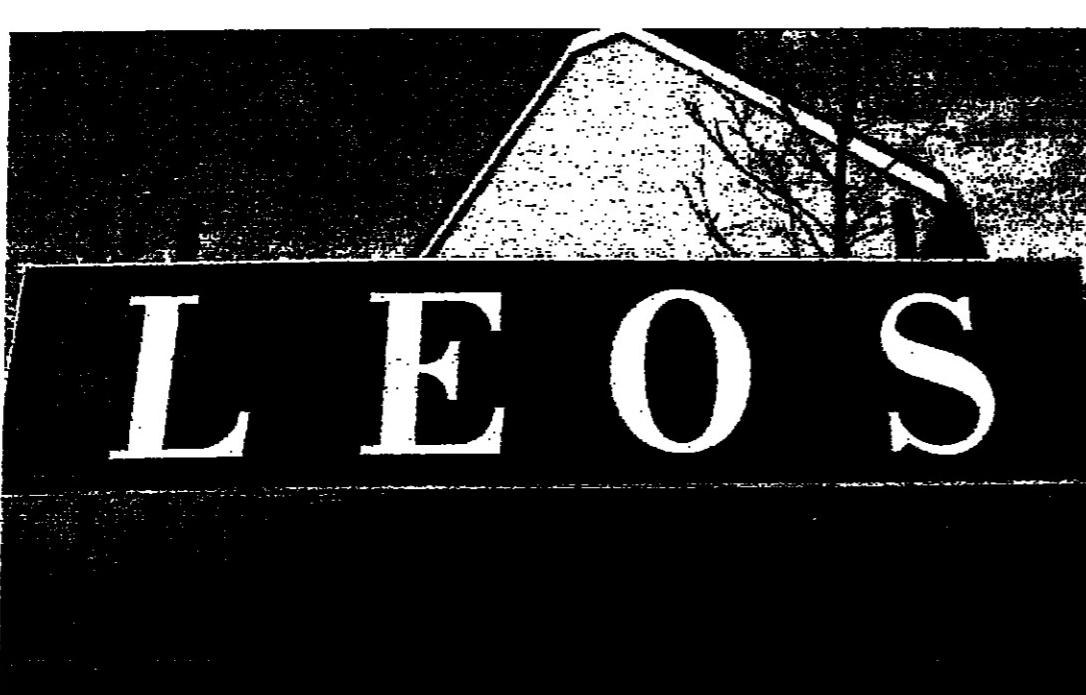
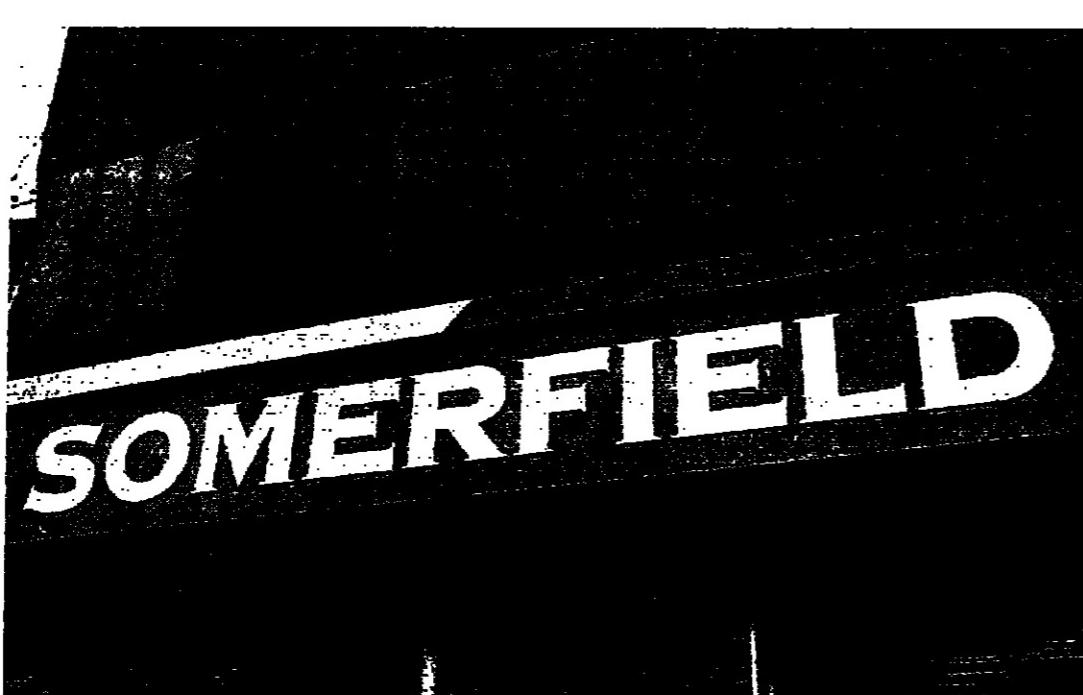
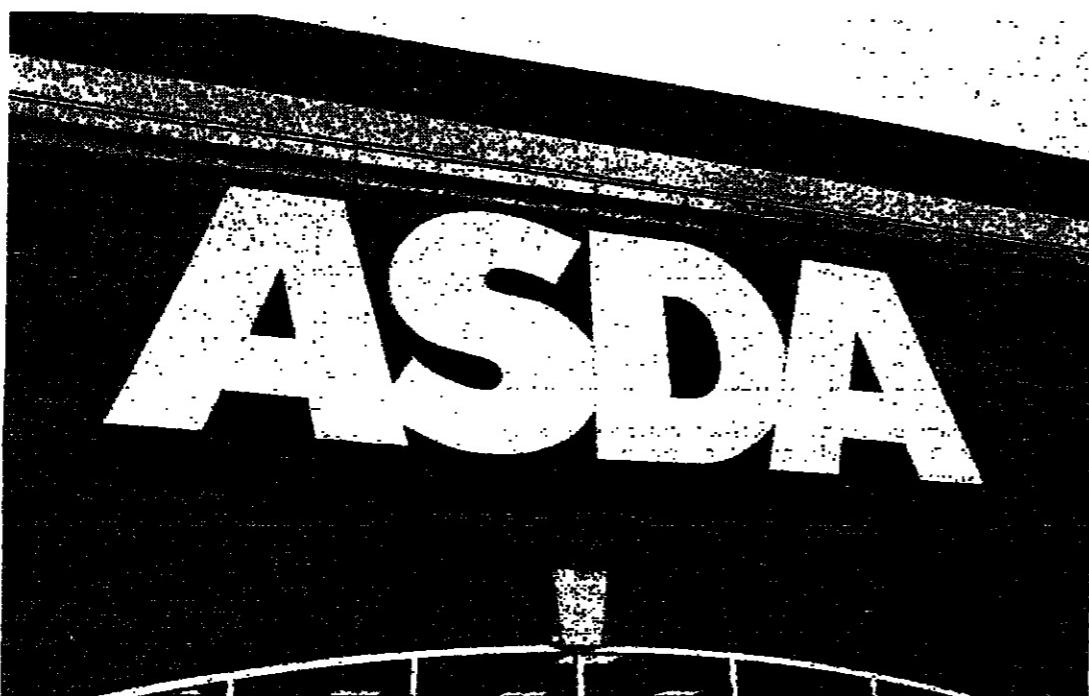
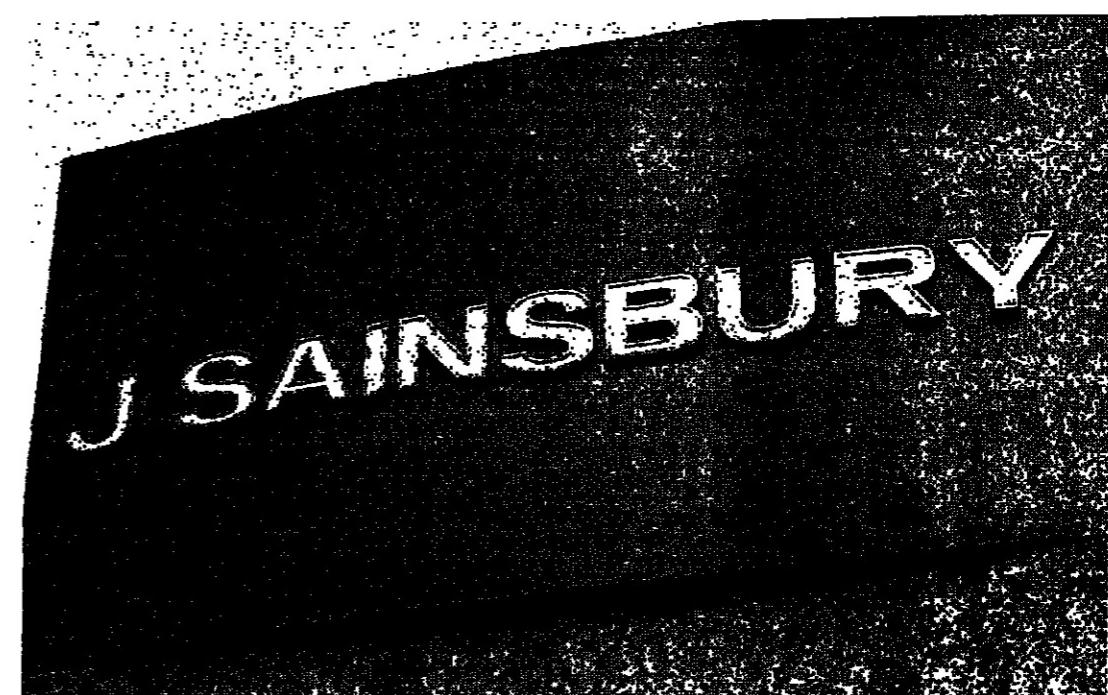
### Ex-editor to chair Russian Duma

Moscow — Russia's lower house of parliament, the Duma, has elected a Communist, Gennady Seltsayev, a former editor of *Pravda*, to the post of chairman. Two previous ballots had failed to produce a winner. Reuter

John Lewis

# Can you serve British beef with confidence?

## You have only to read the signs.



Your favourite supermarkets are usually in hot competition. On one thing, though, they're in total agreement. British beef.

Just as they have always sold it with the utmost confidence, so they continue to do so.

Roasts, steaks, stews, mince, burgers, pies or sausages, whatever takes your fancy, you can share their confidence.

Rest assured, your trust in their standards is trust well founded.

What's more, with the supermarkets you see here tempting you with some tasty offers, there's never been a better time to tuck in and enjoy.

All in all, the signs could hardly be more reassuring.

BRITISH  
MEAT

*Beef*

## international

# French arms industry hit by massive losses

MARY DEJEVSKY

Paris

Thousands of workers in the French defence sector may lose their jobs after one of France's main arms producers, the state-owned GIAT (Groupe Industriel des Armements Terrestres) yesterday announced a loss for 1995 of almost 12bn francs (£1.6bn), one of the worst results ever posted by a French company.

The loss, which is six times as high as that announced for 1994, on a turnover estimated at below Fr8bn, highlights the desperate plight of the French defence industry five years after the end of the Cold War and is likely to accelerate long-planned restructuring.

The Defence Minister, Charles Milon, made restructuring of the armaments sector a major part of his New Year address to journalists yesterday. Speaking carefully, he said his watchwords would be "clarity, consensus and decision". In a clear attempt to avoid the sort of industrial unrest provoked by government welfare reform plans at the end of last year, Mr Milon said that the search for consensus would be allocated

"as much time as it takes", but the decisions, once taken, would be kept to.

GIAT and the defence sector generally have been caught between two imperatives, both beyond their control: reduced orders from the French defence ministry and abroad following the end of the Cold War, and the Chirac government's determination to cut the domestic budget deficit. Defence spending has been a major victim; the arms procurement budget in particular has been cut by 16 per cent.

Some 300,000 people are employed directly or indirectly by the defence industry in France; 30,000 jobs have been lost in the past two years alone, and arms enterprises are concentrated in areas of already high unemployment – chiefly in Brittany and Aquitaine.

As one French analyst put it succinctly this week: "It was thought better not to touch the peace dividend lest it became a social nightmare." Forecasts are that the defence sector will have to shed at least 50,000 jobs, probably in the next two years. Already, industry representatives are comparing the situation with the contraction of

the French steel industry in the 1980s and calling for massive state aid for affected areas.

The problems of GIAT, which employs more than 11,000 people and whose main product is the Leclerc tank, reflect those of the industry as a whole – several times over. It has suffered severe competition from the German Leopard tank and from falling demand for land weapons. When France overtook the US to become the biggest arms supplier to the Third World last year, this was thanks to sales of aircraft, ships and submarines, not land weapons.

Last November, a parliamentary report on the armaments sector as a whole said that the group was in real danger of dying and said it would have to lose "several thousand" jobs. It described a "critical situation" which, it said, had been exacerbated by management and investment errors. In particular, proceeds from a big tank order from the United Arab Emirates in 1993 appeared to have been squandered.

An adviser to the defence minister said that criminal charges could "not be ruled out" in connection with the losses.

## The Queen's man in Sydney loses his palace

ROBERT MILLIKEN

Sydney

The New South Wales government wants the state Governor – the Queen's representative – to work part-time from home and turn the country's oldest vice-regal residence into a "people's palace".

The move was seen as another slap in the face for the monarchy in Australia, and a significant step towards a republic.

Under the radical plan announced by Bob Carr, the state's Labor Premier, the next Governor, Gordon Samuels, a British-born former judge, will live in his own modest suburban house near the Pacific Ocean, while the grand official mansion, built as a castle in colonial days, will be thrown open to the public. Outraged monarchists yesterday demanded that the state parliament be recalled and a referendum held on the decision. They compared it to the Queen being told to move

out of Buckingham Palace.

Mr Carr, a former journalist and avowed republican, dismissed their charges. "We want to update the role of Governor, make it somewhat more relevant to the Australia of the 21st century," he said. "There will be no return to the antiquated concept of Governor."

So far, the republican debate has focused on the role of the Governor-General, the Queen's national representative, whom Paul Keating, the Prime Minister, wants to replace with a president by 2001. The six state governors are hangovers from the colonial history of the then un federated states in the 18th and early 19th centuries. If Australia as a whole votes for a republic, they would become superfluous.

Mr Carr has deeply upset Australia's traditionalists and conservatives. New South Wales is the oldest and most populous state. Government House, the turreted sandstone residence of the Governor in sweeping

grounds above Sydney Harbour, represents the birthplace of British democratic traditions in Australia. The Queen and other members of the Royal Family have stayed there many times.

From next week, the grounds will be turned into public parkland, while a committee decides whether the mansion itself becomes an art gallery, music centre or some other cultural venue. One Labor MP suggested that it be converted into a wine centre, where the public could lounge in the gardens drinking – in contrast to the formal vice-regal garden parties which have been held there for more than two centuries.

Mr Samuels, 72, who will take over as Governor in March, made it clear yesterday that he had agreed to take on the job only on condition that it be stripped of its traditional pomp, leaving only basic constitutional duties, such as opening parliament and attending some public ceremonies.

TIM MCGIRK  
New Delhi

India's Prime Minister is a man of surprises. Suffering from a feeble heart and encircled by powerful foes within his own Congress party, Narasimha Rao was not expected to last a full five-year term. He has. He is also ready to stand again, in the general elections in April.

A distant, scholarly man who rarely smiles, Mr Rao, 72, stunned everybody by revealing that he was a weekend novelist, capable of penning steamy lines such as, "Their bodies, like strangers meeting for the first time, introduced themselves to each other. It was a process in which millions of pores, blood vessels and reflexes were involved in an all-out mutual comprehension."

In the past few days, the glum-faced Mr Rao has unveiled another side to his character: the audacious predator. Like a crocodile, lying so still that everybody thinks he is a harmless old dog, Mr Rao has finally pounced, snapping at his adversaries.

Under Mr Rao's direct command is India's equivalent of the FBI, the Central Bureau of Investigation. On Tuesday, the CBI charged seven of the country's most senior opposition

leaders – among them, Lal Krishna Advani, president of the right-wing Hindu Bharatiya Janata Party (BJP) – with accepting pay-offs in an illegal money-changing scandal. At the same time, the CBI also implicated three cabinet ministers in the same affair. Few observers believe that the CBI would have prosecuted the politicians, especially the Congress party ministers, unless Mr Rao ordered them to do so.

Sacrificing three cabinet ministers – the suave aristocrat Madhav Rao Scindia, who is the human resources minister, Balram Jakhar, agriculture minister, and VC Shukla, in charge of parliamentary affairs – is easy for Mr Rao: they are all possible challengers.

Mr Scindia and Mr Shukla announced their resignations yesterday and Mr Jakhar is expected to follow suit. Mr Advani resigned from his parliamentary seat on Tuesday to fight the accusations and vowed not to contest the elections until he is cleared.

Enraged at Mr Rao's tough tactics, 90 right-wing Hindu MPs and 30 state assembly members staged a protest march yesterday to the prime minister's residence. All were arrested. Sushma Swaraj of the BJP said that the CBI's accusations will "give us a chance to prove our mettle. Advani will pass through this fire and come out clean". The trial of Mr Advani and the others could drag on for months, sabotaging their election hopes. The BJP claims

democratic institutions." At election time, politicians from almost all parties tap these illegal funds for their campaigns, knowing that their beneficiaries will expect a pay-back if they win.

In raids on the Jains' offices in Delhi and Bombay, police discovered a diary chronicling pay-offs allegedly made between 1988 and 1991 to top politicians and civil servants. But the diary did not give names, only initials. Government pressure closed the case for years until Mr Rao dusted it off to gain political advantage.

Mr Advani, along with Arjun Singh, a former Congress enemy of Mr Rao, and Devi Lal, a former left-wing deputy premier, were reportedly listed in the diary, together with the others so far named by the CBI. At least 18 other politicians may soon be charged by police. If found guilty, the politicians face up to five years in jail for "the receipt of illegal gratification", according to police investigators.

Rajinder Puri, a public petitioner who fought for years for police to investigate the Jain diaries, said: "Operators in the network who were financing Kashmir and Punjab terrorists were the same that were giving money to our political leaders."

## US wealthy bank on fashion for flat tax

DAVID USBORNE

New York

When Jerry Brown, the former California Governor, ran with the idea in the presidential race four years ago, they said he had finally lost his senses. Suddenly it is the idea that no politician dare ignore: replacing America's labyrinthine tax code with a so-called flat tax, with one rate for all.

Carrying the banner this time is the magazine tycoon Steve Forbes. With his promise that with a flat tax all Americans could fit their annual tax dec-

larations on a postcard, he finds himself polling second behind Senator Bob Dole to be this year's Republican nominee.

Tax reform, if not revolution, is threatening to become a pivotal issue of the presidential season.

Thus yesterday, a Republican commission set up by Bob Dole and headed by another former presidential runner, Jack Kemp, came out swinging for a single-rate system, if not quite the model advocated by Mr Forbes. Phil Gramm, another Republican contender this year, also spelled out his backing for a form of flat tax yesterday. Even

the White House this week said it is studying reforms that involve "flattening tax rates".

The beauty of the Forbes plan is its simplicity. The current five-rate tax code, ranging from 15 to 39.6 per cent, would be replaced with a single rate of 17 per cent for all personal income above \$36,000 (£23,530). Businesses would also pay a 17 per cent rate on the difference between their earnings and their expenses. That, essentially, would be that. No tax would be paid on income from investments, stockholdings or asset sales, while traditional deduc-

tions, for instance for mortgage payments, would be ditched.

The Forbes plan would amount to the biggest leap into the fiscal unknown undertaken by an industrialised country.

Its attractions, aside from the postcard gimmick, include its impact as a disguised consumption tax. Because income from investments would be tax-free, Americans, famous as chronically bad savers, would be encouraged to spend less and put aside more. That, in turn, would release more and much cheaper capital for businesses.

But so pure a flat tax raises

serious problems, fiscal and political. It would almost certainly mean less money for the government. Ending mortgage deductions, a sacred cow for the middle class, could, by some estimates, depress house prices by 15 per cent. And it is an idea that looks fabulous to the fabulously rich, many of whom do not earn salaries but live on returns from investments. Their existences would become tax-free.

"It appears to have been drafted on the back of a menu, after a bibulous evening with the boys at the yacht basin," wrote

Pat Buchanan, another Republican contender, in the *New York Times* yesterday. "The federal budget would be thrown deeper into deficit, and lounge lizards in Palm Beach pay a lower tax rate than steelworkers in Youngstown."

The Forbes flat tax will not happen. But as the annual nightmare of filing tax returns by 15 April approaches, the clamour among voters for at least a cleansing of the current tax code, described by the Kemp Commission yesterday as a "seven-million-word mess", may become deafening.

## Snow is black comedy in a place that shouldn't exist

Slithering and slipping down what once was a thoroughfare of North-West Washington, called Nevada Avenue, you couldn't miss the sign on re-singed resident had stuck on the pavement in neon orange: "At Least Snow Fills the Potholes."

Not perhaps for much longer, though. Ten days after the great blizzard, the snow ploughs of the District of Columbia – bege creatures with red and white insignia which of late have been a species as rare as the spotted Pacific owl – are occasionally and at last to be sighted. It's not quite the relief of Mafeking. But in this benighted corner of the city that moonlights as capital of the free world, it is almost.

Let me say at once, my own street was fortunate. No thanks to DC or the federal government, it goes without saying, but because the director of an old people's home round the corner had his roads ploughed by private contractors, and threw in ours for good measure. Also the nearby Carnegie Institute, where scientific work requires

round-the-clock monitoring, knew full well it could not rely on the city to keep streets passable. For the rest though, it has been a black comedy in white.

Long before the snow came, Washington was acquiring a positively Muscovite decrepitude: civic bankruptcy, crumbling services, the flight of residents and business to the suburbs and, of course, the great government shut-down.

To cross into Maryland or Virginia was like the passage from the Soviet Union into Finland, from rutted back roads to billiard-table highways from the Third World into the first. The only surprise was how long it took the grumbling to start. But then Washingtonites are acquiring a Muscovite fatalism as well. Expect nothing, hope for nothing, and treat a rubbish pick-up as a minor miracle. At least then you won't be disappointed.

Granted last Friday. But basically there was not a thing he could do and the city knew it.

For one thing, he runs a place where the chain of command has vanished into a fog of overlapping authorities. Mr Barry has the trappings, but little of the substance, of power. Since Washington went broke last year, a federally-appointed DC Control Board has had the last word on appointments and spending.

The Republican Congress, not an instinctive soulmate of this overwhelmingly Democratic city, has veto rights over the District budget. But in the White House sits a Democratic President, head of the federal government which is the biggest local industry, and which has veto rights over Congress. The buck, in short, stops nowhere.

And even if Mr Barry had the charge, he couldn't do anything. Half the District's own 100 snow ploughs were out of action for want of maintenance, while private contractors refused to help, convinced by

previous experience that if they did, they would never get paid. In short, the snow débâcle of 1996 has proved the city is completely and irrevocably dysfunctional. Just possibly, good may yet come out of it all.

The remedy is clear. The present District of Columbia, a

wretched, half-disenfranchised enclave that will never be able to pay for itself, should be scrapped and its territory and jurisdiction returned to Maryland, just as the part of the original Washington south of the Potomac (including the land on which the Pentagon now stands) was handed back to Virginia in the 19th century. That way, residents would be able to vote in Congressional as well as local elections and see their taxes spent on better roads, schools and the rest, instead of trying to fund infrastructure for a 51st state which does not, ought not and cannot exist.

Maybe there'd be some money left over to fix those potholes.

The post-blizzard crop, including specimens the size of elephant traps, is starting to thaw, thanks to (and who knows, snowploughs). For the District though, the order of the hour is less melt-off than melt-down: gradual but terminal melt-down.

Rupert Comwell

Capitol fun: A boy sledges in the snow in Washington

**WASHINGTON DAYS**

Hamilton Direct Bank

UNSECURED PERSONAL LOANS

Our rate is now down to its lowest ever

13.8% APR

on unsecured personal loans from £500 to £10,000.

Call 0800 30 3000 or fax 0117 923 2222.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

No more fees, charges or hidden costs.

Hamilton Direct Bank, a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Winkfield, Windsor, Berkshire SL4 4TD. Registered in England No. 1117395.

JH Mino 1550

## comment

# The rise of do-it-yourself democracy

Disillusioned with conventional politics, 'stakeholders' in local communities are organising themselves

**A** big political idea has to address a big fact, preferably the dominant fact of the age. Our big fact is globalisation, both the wealth it can bring, but also the fear that powerful world markets will turn us into thistledown people, blown about by forces beyond us – people without gravity, without a stake.

Tony Blair's stakeholding was clearly meant to be a response to this general feeling of voter insecurity, to reassure people that political action can help to tie them more securely into their jobs, communities and country.

The argument about stakeholding has, thus far, been partisan and abstract. But I have some news: I have met stakeholders. For the past few years they have been organising and training across the country, and no one at Westminster or in the think-tanks seems to have noticed. This is probably because these stakeholders have no nationally known leaders; they operate at a level below the attention of the essay-writing classes and have little interest in the conventional politics which obsess us.

Those I have come across are gathered under the umbrella of the Citizen Organising Foundation. There are about 60,000 people involved so far, from inner-city areas of Merseyside, Wolverhampton, Dudley, Bristol, north-east Wales, Sheffield and east London. They are overwhelmingly working class, have very little interest or past involvement in party politics and are strikingly idealistic.

Their organisations are partly made up of what they call "faith communities" – local churches, mosques, synagogues and Hindu temples – alongside community groups, tenants' associations and so on; their literature includes a heady mix of Guru Nanak ("the test of learning is action") and

John Stuart Mill ("the only government which can fully satisfy all the necessities of the social state is one in which the whole people participate"). Any attempt to describe them as left-wing or right-wing would, so far as I can see, be futile.

What do they do? It is early days: the oldest was founded only five years ago in Bristol. But they have held hundreds of meetings, trained scores of local leaders, changed the policies of supermarkets and building societies, forced local councils to clear illegal tipping sites, campaigned on homelessness and repossession, persuaded businesses to move and helped to alter policing tactics.

How do they do it? By being legal troublemakers, picketing, jamming up offices, haranguing company directors and local politicians. From Bristol to the North of England, they have filled halls and given MPs angry meetings to contend with, of a kind most politicians rarely encounter.

Being local, they campaign about things that Westminster never hears about. Take one example. It may seem that the Merseyside Broad-Based Organisation has persuaded the supermarket chain Kwik Save to change its mission statement and attend meetings of local people to discuss traffic, play areas and opening times wherever it stores.

But Kwik Save is the supermarket chain with stores in more inner-city areas than any rival – 676 out of its 1,000 outlets. How it behaves matters hugely to the people dependent on it. Nick Goss, its marketing director, told me that the company has now been contacted by other broad-based organisations requesting meetings about its activities; he seemed to



ANDREW MARR

## Thistledown people are working class and strikingly idealistic

think the community politicians in Liverpool had done his company a favour.

The Citizen Organising Foundation is funded by, among others, the Church of England, mosques, the Cadbury family and corporate donors such as Allied Dunbar. But the local organisations raise most of their own money and have a strong presumption against state or local authority funding. They believe many conventional charities have become hopelessly compromised agents of the state, and that raising their own money matters.

One leader from east London puts it this way: "Here, most people spend their money on the lottery as a way of trying to get out. What we are saying is that if you put a bit into local civic organisations instead you won't escape from east London, but you will change things around you."

This is the voice of modern self-help. And however down-to-earth the campaigning has been, there is an ideology at work. The founders of the movement, local religious leaders and

former social workers, see themselves in a tradition that goes back to the Victorian friendly societies, the early trade unions and the co-operative movement. They are highly conscious of thinkers such as Amitai Etzioni, Francis Fukuyama, Robert Putnam and others who have made "communitarianism", "social capital" and "civic society" fashionable.

All this would be mildly interesting – but no more – for national party politics were it an isolated event. But the broad-based organisations described above are only one bubble in the pot. There are other, self-proclaimed, communitarian groups. There are inner-city enterprises with similar aims, like the radical Phoenix Centre in Birmingham. There is the great growth of single-issue campaigning. There are local economic experiments such as the "Let's" barter systems. There are the more assertive tenants' groups and the anti-crime initiatives.

What do these examples of the "new politics" share? Disillusion with conventional parties and Westminster debate; an impatient determination to "do it for ourselves"; and, with the exception of some of the more eye-catching roads or animal exports confrontations, a low national profile.

This is a ragged and anonymous happening, difficult to write about and utterly lacking the glamour or resources of conventional politics. Why should it matter to Blair or new Labour, or any other Westminster politician?

It matters because as globalisation starts to bite, almost every serious political thinker appears to be investigating the web of social relationships below the level of the state – religious groups, clubs, societies, campaigns – and concluding that this social capital

is important both to economic success and to sustaining decent, low-crime communities.

This is an intellectual reaction to Margaret Thatcher's notorious neo-liberal claim that there is no such thing as society, just families and individuals; but it is also a reaction to the previous statist tradition of the left. And this is where it re-enters the debate about "stakeholding".

Broad-based organising is not going to replace party politics, eradicate the need for progressive taxation or substitute itself for the welfare state. It is not powerful enough, nor rich enough. But if the big question is globalisation and the insecurity it brings, then a revival of community self-help and local political action is part of the answer. There is a world Westminster doesn't know about; and in it, the thistledown people are joining together.

A Blair government which failed to address the new politics, including these stakeholders in some of the bleakest parts of Britain, would be making a huge mistake. To avoid that, Labour would have to be pluralist – prepared to devolve, reform local government, consider different kinds of democratic tools, including referendums, and generally behave in a more modest, less Big Brother-ish way than it has ever done before.

Can it? Will it? Early next month Blair is to give a speech on why political reform matters for stakeholder economics. Tens of thousands of active, idealistic and suspicious community politicians already know part of the answer. They, too, will be listening.

The Citizen Organising Foundation can be contacted at 535 Manhattan Buildings, London E3 2UP.

# Night of exploding stars

Astronomer Royal Martin Rees throws some light on the snapshots of distant galaxies seen by Hubble

**O**n 24 April 1992, the *Independent* filled its front page with an elaborate "time chart", tracing the course of cosmic evolution back to the first microsecond of a hot and colourless dense "cosmic fireball" in which our expanding universe began. Cosmology was deemed newsworthy because Nasa had announced the first results from a satellite called *Cobe*, which made very precise measurements of the radiation that cosmologists interpret as a relic of the initial "big bang".

*Cobe's* success was a relief to NASA because as its highest-profile scientific project, the Hubble Space Telescope (HST), was attracting embarrassing attention. Its launch, scheduled for the early Eighties, had been delayed until 1990, so some instruments seemed outdated. Worse, its images were badly out of focus because the mirror had been incorrectly set up.

A team of astronauts in 1994 carried out a "refurbishment" and the HST, albeit after delays and cost overruns, is now fulfilling its promise to bring the cosmos into sharper focus. Its latest results will surely give spectacular insights into the key stage in cosmic history when the first stars formed.

Competition for access to HST is so keen that even those who succeed are generally granted only a few hours of observing time. However, its director, Bob Williams, is allocated a quota to use at his own discretion. He seized this enviable opportunity and pointed the telescope for 10 whole days towards the same small patch of sky, yielding the most detailed image of the distant universe yet seen. Close-packed all over the sky are hundreds of objects – each seeming so small that it would be an almost imperceptible smudge on a picture taken from a ground-based telescope. These objects, with a wide variety of shapes, are a thousand million times fainter than any star we can see with the unaided eye. But they are not single stars: each is an entire galaxy, tens of thousands of light years in size, which appears so small and faint because its distance is measured in billions of light years.

What is fascinating about these pictures is not the record-breaking distance in itself, but the huge span in time that separates us from these remote galaxies. They look different from their nearby counterparts because they are being viewed at an early phase of their evolution. Their light set out when our expanding universe was much more compressed and

are not seeing the remote past of our own locality. But we are seeing snapshots of many distant galaxies which look kind similar to the way our Milky Way and other nearby systems would have looked when newly formed about 10 billion years ago.

A newly formed galaxy is made of pristine material from the initial cosmic fireball. This is essentially just hydrogen and helium – the simplest kinds of atom. All the other elements of the periodic table – carbon, oxygen, iron and so forth – were transmuted inside stars as a by-product of the nuclear fusion process that keeps them shining (a controlled version of an H-bomb). The young Milky Way would have contained many bright blue stars. The atoms that we and our Earth are made of are the "nuclear waste" from those ancient stars.

The HST is now showing us what our Milky Way would have been like when its first stars were shining brightly. There would have been no complex chemistry, no planets and (presumably) no life. But these marvellous images offer new insight into our cosmic environment in an immensely remote era when the basic building blocks of our solar system were being laid down.

Fantastic Voyage, Section Two

# Driving a social revolution

Over this century cars have brought freedom and shaped all our lives. What of the next 100 years?

**T**here is nothing particularly British about the motor car, even though the 100th anniversary of car manufacture in the UK was deemed an event worthy of celebrating (and disrupting) yesterday in Coventry cathedral.

And, notwithstanding our legendary national love affair with the car, there is nothing unique about our concerns for the impact it has – on safety, pollution, roads, lifestyles and so on – for these are the worries of every developed country. So this is not a bad place from which to evaluate the car's first century and to make some guesses about its next one.

Divide the century into two halves.



HAMISH MCRAE

The first brought the development of the product virtually to its present form; the second heralded the social and physical adaptation of society to it.

No technical advance in the past 50 years? Not in the basic technology. But there have been lots of incremental improvements which have gone a long way to tackling the adverse impact on society. Thus, from a personal point of view, it would be no hardship nowadays to have to use late-Forties technology: a Morris Minor for local trips around town and, say, a Jaguar XK120 to zip up to Scotland. But the modern versions are less polluting, more efficient, safer and more reliable.

The much bigger change in the second half of the century, however, has been the adaptation of our physical infrastructure to the car and the consequent social changes. Motor transport had brought some development to pre-war cities and suburbs – traffic lights, arterial roads – but even in the late Forties most of us were still using the same communal forms of transport of a generation earlier – trams, trams and trolley-buses – or else simply not travelling. Children walked to school; their mums shopped daily on foot; dads went to work on public transport or a bike.

That pattern of life has been swept away. Our roads and cities have struggled to keep pace with the advance of car ownership, which has driven forward with astonishing power.



Gone are the days when people went for a drive just to take the car for a spin. Photograph: Hulton-Deutsch

In social terms it has been a great liberating force, an assertion of individuality and freedom – but it has been more than that, too. The car was a machine of democracy, breaking down division by class and replacing it with differentiation by wealth. Everyone is equal in a traffic jam, but each can proclaim their wealth and status by the car in which they sit.

That same statement about human desires and aspirations is still being made today. Just as the love affair with the car that Britain experienced in the Fifties and Sixties seems quaint, it is in its bright spring in Eastern Europe and the prosperous coastal zones of China.

But what happens next for us in Britain? Just as technical development of the car will only inch forward from now on until some replacement for the internal combustion engine arrives, so too, I think, the social adaptation to the car is more or less complete.

If that sounds an absurd hostage to

fortune, consider this. The take-up of new technology almost invariably follows an "S" curve. It starts slowly, moves very quickly as the technology hits the mass market, and the costs come down, then reaches saturation point. It has happened with a whole range of domestic goods, from televisions to washing machines; it will happen to personal computers. So car use will level off.

We must be approaching a stage

where most people are spending as much time in their cars as they want to: the desire for personal mobility may be enormous, but it does have a saturation point. Remember the days when people used to go for a drive just for the sake of giving a car a spin?

If recreational car use must level off soon, so also will other functions.

The development of out-of-town shopping centres is slowing, largely because the need is close to being satisfied by the present crop. Similarly, we are probably in the early stages of a revolu-

tion in commuting patterns, where the rush-hour thins as a greater proportion of the workforce is able to do more work from home.

Anyone predicting a slowing in the growth of car use has to face the fact that every previous prediction has been wrong and there is not much evidence yet of this slow-down. I do believe, however, that it will slow radically within one more generation. On a long view, the next half-century will not be dominated by the need to adapt to the motor car in the same way as has the past 50 years.

Two final questions: what will happen to the car itself, and what will be the next big technological change, that, like the car, will reshape our society?

We are not going to abandon our thirst for personal mobility, so something like the car will continue for another couple of generations at least, quite probably longer. The present technology will continue to be improved so that cars will become

even safer, even more reliable, even easier to drive, and virtually pollution-free (though not much cheaper).

Somewhere between 2020 and 2030, I guess, something will arrive to replace the internal combustion engine. We may know within the next 10 years what that will be. If it were to result in a step down the cost of manufacture and operation – say a car costing £3,000 new and £10 a week to run – a further jump in car affordability would bring a new wave of social consequences.

The most significant social changes of the coming century, though, will not come from mechanical technology at

all. We are seeing the rapid development of electronics and, in particular, the collapse of costs of telecommunications. If a single mechanical technology caused the seismic social change in the second half of the 20th century, so one electronic technology will bring the corresponding change to the first half of the 21st.

See the parallel with 1946, the half-way point. The car's physical technology was developed but we could hardly envisage its consequences: the growth of supermarkets or out-of-town office developments. Today, we have the basics of electronic technology in place – the PC, the modem, on-line services and so on. But we can only glimpse the liberating – and limiting – force of the world of bits and bytes.

Just as the car broke down class barriers, so the screen will break down national ones. If you have the skills, it will not matter whether you live in Belfast, Bangalore or Bangkok; you will be able to sell your services on a world market.

But those who do not have the skills will be excluded in just the same way as people who do not drive have been. It took us a long time to grasp that there would be losers as well as winners in the motor age; and that a society geared exclusively to the motorist imposed costs on everyone else. We need to anticipate the inevitable downside of the electronic age and to use the lessons of the past 100 years to protect society against its harsher effects.



The Twin Tower Hi-Fi Corner Unit from Nathan Furniture

An elegant corner unit that enables you to store both Hi-Fi equipment and up to 200 CDs. The Twin Tower is the latest addition to Nathan's unique Teak Collection – a range of furniture that blends traditional craftsmanship with contemporary needs.

Purchase The Twin Tower Hi-Fi Corner Unit from Nathan Furniture and we will send you TWO FREE CDs of your choice.

The FREE CD offer closes on 1st June 1996.

FOR FULL DETAILS SIMPLY CALL 0890 134 754 QU CITING REFERENCE IND 163

Alternatively complete and post this coupon free on Nathan Furniture, Preepor 39, Walford WD2 8PP

Please send me more details about The Twin Tower Hi-Fi Corner Unit.

Name \_\_\_\_\_ Address \_\_\_\_\_

Telephone \_\_\_\_\_ Postcode \_\_\_\_\_

My telephone number is \_\_\_\_\_

I am a \_\_\_\_\_

THE INDEPENDENT • Thursday 18 January 1996

BUSINESS NEWS DESK: tel 0171-293 2530 fax 0171-293 2098

Investment: First Leisure lays on the gloom  
World-wide slump strikes Prudential  
Market Report: Vaux leads cheery brewers

CITY & BUSINESS EDITOR: JEREMY WARNER

18  
18  
19

## Unichem in talks to bid for Lloyds Chemists

DAVID HELLIER

Unichem, the pharmaceutical wholesaler and retailer, has made an approach that is expected to lead to a near-£500m takeover bid for its rival, Lloyds Chemists.

The two companies are believed to have been in talks for several days and a deal is said to be close to being finalised. In the past few days there has been persistent takeover speculation surrounding the future of Lloyds Chemists and last night

the shares climbed 16p to 291p on rumours that a bid was close to being announced.

Lloyds Chemists' shares rose a further 75p yesterday to 366p after the company said it had received a bid approach. It made no comment as to who had made the approach.

Asda and Boots, the two retail companies, both said yesterday they were not in talks. Unichem declined to comment.

Shares in Unichem were 10p down on the expectation that there would be a rights issue.

Analysts close to the company, however, said this was not going to be the case. If the deal went ahead it would be a cash-and-shares offer, they said, but there would be no rights issue.

Any formal offer is widely expected to have to be vetted by the Office of Fair Trading.

Unichem is a large wholesale pharmaceutical distributor and in the past few years it has also been building up its retail arm.

The two companies both came up against a Monopolies Commission inquiry when they

bids for another rival company, Macarthy, four years ago. In the end both bids were cleared and Lloyds Chemists won with a £92.5m agreed bid after Unichem dropped out of the running.

Lloyds Chemists is already a significant retail pharmacist – it has 935 chemists stores and 369 Holland and Barrett health food outlets, as well as the Superstore drugstore chain – but it is smaller in the wholesale pharmacy business.

Last spring Lloyds Chemists endured a series of problems that were widely perceived to have left the company vulnerable to a bid approach.

In March last year NatWest Securities, a joint broker with Panmure Gordon, resigned shortly after a decision by the company to close 100 of its supermarket stores. The company's shares took a heavy fall when it was made clear that the closure would result in £13.4m of restructuring costs.

In June Peter Lloyd, who helped his brother Allen to build up the company, resigned as chief executive because of ill-health. Allen Lloyd said at the time that his brother had become ill through stress after the decision to reorganise the company's loss-making drugstore business.

During the Christmas period there were further stories that Allen Lloyd was also ill but these were denied by the company and its advisers.

Allen Lloyd, who founded the group in 1973 with a single pharmacy, is a collector of cars and enjoys racing Jaguars. The Lloyd family holds around 10 per cent of the shares and therefore could receive around £50m if a deal went through at the anticipated price.

Lloyds Chemists was hoping last night to make a further statement later in the week. Unichem had turnover of £695m last year, from which it earned pre-tax profits of £21.7m. Its profits performance last year was knocked by teething problems with a new computer system.

Lloyd's to turn up heat on regulation

JOHN EISENHAMMER  
Financial Editor

Lloyd's of London will toughen its disciplinary procedures and step up the monitoring of professionals in the market in response to sharp criticism of its self-regulatory performance. "The real message is that we want to turn the beat up," David Gittins, director of regulatory services, said.

Sir Alan Hardcastle, chairman of Lloyd's regulatory board, said the tougher regime, meant finally to bring Lloyd's up to the mark of regulation elsewhere in the City, was expected to provoke consolidation among weaker operators in the market, and to oblige some professionals to drop out.

Lloyd's first regulatory plan will register all senior executives among underwriters, brokers and agents to ensure they meet high standards of competence, and to make monitoring easier.

Lloyd's system of regulating itself was savaged last year by the influential Commons Treasury select committee. Describing it as "fundamentally and irretrievably tarnished by past problems", the committee concluded that "the loss of confidence in regulation cannot be restored within the current regulatory system".

It recommended that responsibility be switched to an independent body answerable to the Treasury. Sir Alan himself was singled out for criticism as being too close to the interests of the Lloyd's management.

With the change in legislation required for such radical reform widely considered to be improbable this side of an election, Lloyd's response yesterday was seen as an attempt to salvage the current system.

But the tardiness of the response has produced considerable internal tensions, the most significant being the sudden departure last September of Rosalind Gilmore, in charge of revamping the regulatory regime at Lloyd's, who was thought to have become frustrated at the progress.

The new regulatory plan sets out for the first time core principles of behaviour and competence consistent with standards demanded by other City regulators such as the Securities and Investments Board. "This means we shall be able to go for people ignoring the spirit of these principles, and not just the letter," Mr Gittins said.

The plan also sets up a summary disciplinary process with clearly stated sanctions that will make it easier to discipline individuals, in the past a complex and slow process.



Michael Grade, chairman of ten-pin bowling to health club group First Leisure, warned yesterday that growth had slowed in the second half of the year to October. Profits improved 7 per cent to £40.1m, held back by an ambitious expansion programme in the Bingo, Dancing and Fitness divisions. Investment column, page 18. Photograph: Edward Sykes

MATHEW HORSMAN

An increasingly confident Granada yesterday raised its Forte stake to the maximum level allowed under Takeover Panel rules, fuelling belief that it will now easily win its £3.8bn hostile bid.

Barring a radical response from Forte, which analysts did not expect to materialise, the odds have moved sharply in Granada's favour.

The television and leisure company bought another 0.7 per cent of Forte, the target of its hostile bid, taking its holding to the maximum allowed of 9.9 per cent, worth £386m.

Meanwhile, several leading institutions confirmed yesterday that they had tendered shares to Granada in its morning raid on Tuesday. They included Hermes, the pension fund of the Post Office, which normally supports management against hostile bids. Hermes indicated yesterday that the sale did not mean it had decided to back Granada.

Mercury Asset Management, which had owned 15 per cent of Forte, tendered 9 million shares, taking its stake down to 14.63 per cent.

### Shifting shares

Forte shares sold by top City institutions to Granada
Lloyds Inv Managers 1.2m
Sun Life Inv Mgmt 2.5m
Hermes Inv Mgmt 3m
Stanhope 6.3m
Mercury Asset Mgmt 9m
Capital Group 10.5m

MAM's chief strategist, Carole Galley, is believed to support Granada in the acrimonious battle, and is expected to tender MAM's 168 million remaining Forte shares by the bid close on Tuesday.

Forte said the mop-up operation proved that Granada had not been able to buy all the shares it wanted in Tuesday's raid.

A spokesman said: "The vast majority did not sell their shares and this shows there is good support from our shareholders."

Several analysts have now publicly recommended that Forte shareholders accept the cash-and-shares offer, as well as the hotels and restaurants group at 385p.

Among the houses holding

out yesterday was Goldman Sachs.

The warring sides again traded statistics and criticisms yesterday, following publication in the morning of a new document by Granada, aimed, it said, at "returning the debate to fundamentals."

Granada attacked Forte's defence strategy, claiming that the target company's share buy-back scheme was flawed and that it had promised an "imprudent" dividend commitment of 20 per cent rises in each of the next three years.

Forte said the document "contains nothing new" and that "the figures it uses are simply wrong."

The two companies have disagreed about the earnings potential of Forte following a planned asset disposal programme, and about the likely level of the company's share price if the Granada bid fails.

Granada's finance director, Henry Staunton, yesterday sharply criticised what he called Forte's "selective" use of figures in its defence strategy. "Our figures are transparent, and are hard numbers," he said. "We feel that Forte has been picking and choosing to suit the case, using one tax rate for one set of forecasts, and another figure for something else."

A Forte spokesman shot back: "For Granada to accuse us of being selective when they have done a complete strategic U-turn is rich indeed."

Asked again to explain the strength of Granada's share price following its increased offer, a Granada source said the stock's strong performance underlined the market's belief that the bid would succeed and that the company's management would be able to achieve the promised profits enhancement.

Granada closed unchanged at 693p, having traded lower in early trading. Forte ended the day at 377.5p, down 3p.

The investigation into the 23 firms' activities, said to have shown "systemic failings" in their sales processes, was launched 15 months ago by their watchdog, the Investment

Management Regulatory Organisation. The first fines are expected within weeks.

Imro's inquiry follows a report in October 1994 by the leading regulator, the Securities and Investments Board, which found that up to 1.5 million people may have been mis-sold a private pension.

It follows accusations by the Labour Party and the Consumers' Association that financial watchdogs have dragged their feet in resolving the issue.

Philip Thorpe, chief executive of Imro, said: "Formal investigations have only been launched where it appears that there have been systemic failings in the sales process.

"It is our declared intention that our regulated firms will complete the whole review ahead of the final deadline."

The Imro inquiry follows a report in October 1994 by the leading regulator, the Securities and Investments Board, which had received any compensation.

Imro's investigation revealed that of its 1,200 members, 46 carried out a total of 76,000 pension transfers. Of those, 15,000 were priority cases where policyholders have died, are close to retirement or were over the age of 35 when they opted out of company schemes. Compensation averaging £3,000 per affected client has been paid.

Of the 46 firms that carried out pension transfers, 16 joined the PIA last year. But they remain subject to Imro in respect of activities while members. It was not clear yesterday how many of the new PIA members are under invest-

ment redress by the end of last year had received any compensation.

Imro's investigation revealed that of its 1,200 members, 46

### Oops ...

Finance directors from each of the warring Forte-Granada camps have both got egg on their faces as the hostile bid moves towards a climax. Yesterday, the Forte finance director Keith Hamill (above right) was forced by the Takeover Panel to clarify remarks which seemed to draw a comparison between the illegal share-support scheme operated by Guinness in its disputed takeover of Distillers in 1986 and the rising value of Granada's shares in the current bid for Forte. Last week, Forte issued a writ against the Granada finance director Henry Staunton (above left) for remarks attributed to him. Mr Staunton appeared to suggest Forte had set out to mislead shareholders in its defence document. The writ against Mr Staunton remains outstanding. Neutral observers suggest both men may be getting tired, following weeks of long hours, hundreds of meetings and endless phone conversations.

Economy: German repo cut offsets effect of slowdown in unemployment and fall in vacancies in the UK

## Hopes undimmed by standstill on interest rates

PAUL WALLACE  
Economics Editor

Kenneth Clarke and Eddie George left interest rates unchanged at their monthly monetary meeting yesterday, but hopes of an early reduction were undimmed as the fall in unemployment tapered off in December, vacancies fell and the growth in underlying earnings remained unchanged at 3.25 per cent.

A surprisingly large fall in the German repo rate from 3.73 to 3.65 per cent helped interest rate sentiment, but the latest figure for the public sector borrowing requirement raised concern that the Government could overshoot its forecast for 1995/6, even though this was raised by £7.5bn at the time of the Budget.

Following Mr Heseltine's gaffe on Tuesday in revealing that unemployment had fallen in December, the only question was by how much. The answer was 7,900, about half the average monthly fall in 1995 and a quarter of the rate of reduction in 1994.

Although statisticians cautioned that special factors might have made the fall in claimant unemployment smaller than the underlying trend of 10,000-15,000, a drop in the stock of vacancies at Jobcentres also pointed to a less buoyant labour market.

Notification of new vacancies and placings fell more sharply than at any time since June 1991, albeit from near-record levels.

The index of average weekly hours worked in manufacturing

fell in November to its lowest level since February.

The Treasury drew satisfaction from the continuing subdued growth in underlying earnings for the whole economy, suggesting that this augured well for inflation.

However, there was a pick-up in the services sector from a low of 2.5 per cent over the summer to 2.75 per cent in October and November.

The City largely shrugged off disappointing news on unit labour costs in manufacturing,

which jumped to 4 per cent in the three months ending November compared with a year ago, the highest for four years. About 4,000 extra manufacturing jobs contributed to a fall in productivity of 0.1 per cent, the first since March 1986.

Simon Briscoe, UK economist at Nikko Europe, said: "We do not see this as the start of a worrying trend." It reflected the sharpness of the slowdown in output growth and would correct itself in 1996 as output rose or jobs were cut.

Fears of an overshoot on the PSBR were raised by figures showing the Government borrowed marginally more in the first nine months of the financial year than in the same period in 1994/5. The cumulative total rose to £23.9bn, compared with £23.8bn in 1994/5.

A further black spot is that local authorities have borrowed £900m so far this year compared with a net repayment of £800m in the same period for 1994/5.

"It is our declared intention that our regulated firms will

complete the whole review ahead of the final deadline."

BZW will move all its staff to Canary Wharf

JOHN WILLCOCK  
Financial Correspondent

All of BZW, the investment banking division of Barclays Bank, will relocate to Canary Wharf in London's docklands, instead of only two-thirds.

Over 1,500 equities and corporate finance executives learnt yesterday of the move – reversing a decision two years ago to keep them in the Square Mile.

Roughly 2,000 are already due to start relocating eastwards at the end of this year. Now a total of 3,500 will have moved from six City sites by the end of 1998 – roughly in time for the opening of the Jubilee Line extension linking Canary Wharf to central London.

A spokesman for BZW said: "We concluded that in order to take on the big US investment banks head to head we have got to be all under one roof."

The decision has delighted Canary Wharf – which following yesterday's announcement is almost 80 per cent let. The Docklands scheme was only half let three years ago and is only now shaking off its white elephant image.

The move will anger the Corporation of the City of London, which has vociferously criticised Canary Wharf for poaching investment bank tenants.

But the decision has also brought a mixed response from BZW executives themselves.

Previously the brokers and mergers and acquisitions specialists thought they would be moving from Royal Mint Court, still in the City and until last year home to Barclays Bank's head office.

Graham Pimlott, chief executive of merchant banking at BZW, when asked how his staff had reacted to the relocation news, said: "There were mixed views, as you would expect."

"There is a general view that it will make life more difficult to meet clients in the City. But we will maintain a suite of offices in the City to see clients, so I don't think it will make it more difficult."

"In terms of BZW overall, the argument is overwhelming. The way you tried to structure [an investment bank] in 1986 is not the same as in 1996. You can't have equity and debt in different boxes – it won't work. People are broadly supportive of this view."

Mr Pimlott added that the decision did not imply any further restructuring of BZW. "This is literally a property deal."

BZW was originally going to take 520,000 square feet, and is now taking 700,000 square feet. This makes it the second biggest tenant in Canary Wharf behind Morgan Stanley, its American investment bank rival.



## COMMENT

'In their search for new product lines the supermarkets have quite blatantly used petrol as a loss-leader. The oil majors have already been hit where it hurts. Casualties among smaller independents are certain.'

## Price war at pumps will create petrol deserts

The Chancellor read the petrol market just right when he raised duty 3.5p a litre in the Budget. The increase was almost twice the amount to which the Government committed itself in 1993 - a useful contribution to the cause of a 20 per cent basic income tax rate - but the price war that intensified yesterday will give most of the money back again to consumers, limiting the impact on inflation and the "feel-bad" factor.

Commercially, price wars are nearly always wholly pointless; profit margins get shot to bits and even if a competitor is eventually forced out of the market, it can take years to recoup the financial damage. In petrol retailing, is questionable whether even the motorist gains. In the past, one of the effects of price-cutting initiatives was to drive thousands of small operators out of the business, leaving the big chains with greater control over prices at times of shortage.

This latest round of price-cutting may be different, however. The catalyst was the supermarkets, which in their search for new product lines have quite blatantly used petrol as a loss-leader. The oil majors have already been hit where it hurts, at their high price motorway sites. With a visit first to a supermarket forecourt, many modern cars can travel the length of a motorway without stopping. Casualties among smaller independents, which claim that petrol is being sold by the big oil companies at below cost, are certain. The supermarkets will not easily be driven out of the game, however. In

France, they have 54 per cent of the market. Small garage chains are pressing for an OFT inquiry but until the Government fulfils its promise in 1993 to tighten the law, this is pretty much a waste of time. As price wars in the bus industry testify, aggrieved companies are often dead and buried by the time an inquiry is complete. In any case, the OFT rightly sees the supermarkets as new-wave independents, better able to withstand the oil majors than little firms, and so of benefit to competition and the consumer. The Government is equally unsympathetic.

There is a downside. The petrol price war will create petrol deserts in large parts of rural and inner city Britain as Esso, BP, Shell and the supermarkets battle it out and small retailers close. But this time round, the real losers look like being the oil majors themselves.

### Real jobs remain in short supply

Britain's flexible labour market is delivering a lower unemployment rate than the stakeholder economies of Continental Europe; that is the Government's proud claim. With unemployment still at 6 per cent on the internationally accepted definition, this is no more than a triumph in relative terms. And it comes with a sting, a chronic sense of insecurity that could scupper the Chancellor's dream of buoyant consumer

spending in 1996. For the "feel-good" factor to come good this year, the Government needs what Mrs Thatcher used to call "real jobs". Most people nowadays would happily settle for full-time jobs. Unfortunately, they are once again in short supply, according to the latest figures from the Labour Force Survey. The LFS is based on what members of households say about their employment. Ministers prefer this measure, not least because it shows more growth than the employer-based count.

This helpful pattern is repeated in the latest figures which show employment down in the third quarter according to the employer count, but rising according to the LFS. On an annual basis, the LFS shows an appreciable rise in employment of 250,000, compared with a meagre increase of under 100,000 on the other measure.

But never mind the width, feel the quality. On that score, the LFS conveys a less encouraging message. The pick-up in full-time employment which got under way in 1994 has ground to a halt; indeed, full-time jobs fell by 9,000 in the latest quarter. Part-timers made up the difference. On an annual basis, they accounted for almost two-thirds of the 250,000 new jobs.

The renewed shift to part-time work may suit employers, but it creates a climate in which consumers are reluctant to dip into savings. As long as these conditions hold, consumer expenditure is unlikely to take off, notwithstanding all those windfall gains

that lie ahead. The Chancellor may not have cut rates yesterday, but cut again he assuredly will.

### A Japanese fly in Eurotunnel ointment

Financial crisis is such a regular occurrence at Eurotunnel that it is hard to remember the company being in any other state. Life under the Channel is just one long financial crisis. If once upon a time there was a beginning, circa 1986, there is certainly no prospect of an end. There may be something to be gained from the present unresolved state of affairs, however. A bit like the Northern Ireland peace talks, neither party (in this case bankers and company) has much interest in finding a solution. The important thing is simply to keep the dialogue going.

First the company. There is no reason Sir Alastair Morton and his crew should want a full financial reconstruction since it would mean recognising the underlying economic reality that Eurotunnel equity has no value at all. Part of the function of a board of directors is to sustain at least the hope of some value for shareholders, even if this is only at some indefinite point in the future.

Charade this may be, but bankers have some interest in going along with it. They are already guaranteed every penny of money the project generates over and above its operating costs, so it could be argued that

tolerating the present stand-off makes no difference. Why clock up vast professional fees finding a neat financial reconstruction, or worse still give anything back to more junior creditors, when you already have all the protection you need?

There is a fly in the ointment here, however, and that is the position of Japanese bankers. Unlike others, they actually have a direct interest in crystallising their bad Eurotunnel debts for it is not until there is an event of bankruptcy or insolvency that they can claim tax relief on their losses. But this is not an insurmountable problem. Most bankers seem content to let the present situation ride.

So, while on paper, deadlines appear to be crowding in, the timetable is potentially very elastic indeed. The 18-month debt standstill agreed with the banks last September was on the understanding that proposals would be put to the banks by March. That deadline is almost certain to be missed. At the end of the full 18 months, there is nothing to stop Eurotunnel proposing a further standstill agreement. Bankers gain nothing by putting Eurotunnel into receivership, unless the farsighted business of finding new management could be described as a gain. Furthermore, Sir Alastair's chances of squeezing compensation out of the Government are probably as good if not better than most. Eurotunnel's insolvency may be something that all will just have to learn to live with.

**Christmas sales:** Kingfisher leads the pack in unimpressive Yuletide updates, while JJB Sports keeps up a winning run

## Mixed retail fortunes leave City disappointed

NIGEL COPE

Kingfisher, the Woolworths and Comet group that has been struggling to re-group after a profits warning and a management clear-out last year, disappointed the City yesterday with a mixed update on Christmas trading.

Comet performed well, boosted by strong sales of multi-media PCs, and Woolworths also recovered from last year's stock problems. However, B&Q has faltered in a tough DIY market and Darty, the French electricals group, was badly affected by the Paris strikes in the run-up to Christmas.

Other retailers also reported mixed fortunes yesterday. Anita Roddick's Body Shop proved a disappointment when it said sales were similar to last year, with hardly any growth in Christmas trading. It has continued to struggle in the US and warned that profits this year would be "a little below" last year's levels.

But the best performance on the high street so far this year has come from JJB Sports, the chain of sports shops run by the former Blackburn Rover footballer David Whelan. The company went to the top of the retail league table with a surge in sales and plans to add more stores. "There is a big move towards



Ups and downs: Sir Geoffrey Mulcahy of Kingfisher

keeping fit in this country and we're benefiting from that," Mr Whelan said.

Kingfisher, led by its chief executive, Sir Geoffrey Mulcahy, was reporting on sales for the 10 weeks to 6 January, which showed that group like-for-like sales were up by 3.9 per cent on the same period last year. The group's shares rose 9p to 538p on the news that Woolworth's sales had increased by 7.3 per cent, helped by better stock availability, which proved a problem last Christmas. Sales of toys and home essentials were particularly strong.

Comet, the electricals chain which sank into loss last year, improved sales by 22 per cent, although this was from a low base. The chairman, Gordon Roddick, said: "Retail sales in

building lost market share and despite making a trading loss of £8.7m in the first half is now expected to make a modest profit over the full year.

Superdrug improved sales by

2.5 per cent with the move into health and beauty products continuing. However, sales at B&Q fell by 3 per cent, with kitchen sales poor. Sales at Darty, the French group, were 3.8 per cent down on a like-for-like basis, although the company said this was due to the French strikes, which disrupted Christmas sales.

Shares in Body Shop fell 1p to 151p when it said like-for-like sales for the 10 weeks to December were unchanged.

The chairman, Gordon Roddick, said: "Retail sales in the

USA have not yet shown the consistent improvement we are seeking, having been affected by the difficult retail climate there during the Christmas period."

The company released no fresh information on the Roddicks' plan to take it private.

JJB Sports continued its spectacular run, with sales in the 47 weeks to Christmas Eve 17.8 per cent higher than the same period last year.

The company now has 148 stores, including five out-of-town superstores. Seven new high street stores and 15 out-of-town shops will open this year.

Having avoided opening stores in London so far due to concerns over high staff turnover and theft, JJB is now hoping to open several central London stores in the next six months.

JJB shares, priced at 215p when it came to the stock market 14 months ago, closed 20p higher yesterday at 618p.

The company is now valued at more than £180m. Mr Whelan, who founded the company with £400 in Wigan in 1971, still owns 60 per cent of the stock, together with his family. That stake is now worth £120m.

Alders said sales in its department stores were up 8.5 per cent in the 15 weeks to mid-January. Like-for-like sales, however, were up by just 1 per cent.



Flat: Anita Roddick of the Body Shop, where the Christmas period provided almost no growth and where trading in the US continued to pose problems

### IN BRIEF

#### ITN in talks on London News Radio

GWR, the commercial radio station, and ITN, maker of ITV's *News at Ten* programme, are in talks with Reuter over the possible purchase of London News Radio, sources said. The news follows the collapse recently of a management-led buyout team that had been negotiating to take over the struggling station. ITN is believed to be interested in protecting its Independent Radio News franchise, while GWR is exploring acquisitions throughout the commercial radio sector, following its purchase last year of Chiltern.

#### Cable firms set to invest £2.2bn

British cable companies expect to invest about £2.2bn and create over 2,000 jobs during 1996, according to an industry association forecast. Next year will see record levels of cable construction, with another 2.7 million homes passed, bringing the total to around nine million homes by the end of the year - or about 45 per cent of all homes in the UK, the Cable Communications Association said.

Separately, Nynex Cablecomms said it had total revenue for the year to December 1995 of £85m, 107 per cent ahead of the year before. TeleWest, the largest cable operator announced a cut-rate telephone service for its areas, promising discounts of 15 per cent off BT's rates.

#### Banks and small firms 'getting on better'

The Bank of England said yesterday that relations between banks and small firms had improved significantly since a bitter row two years ago over allegations that the banks were not passing on interest rate reductions to their small business customers. Small business organisations said late payments and excessive reliance on overdraft finance remained significant problems. They expect relations to deteriorate again if the economic slowdown continues.

#### Welsh Water agrees to separate listing

Welsh Water has agreed to demands by the regulator, Ian Byatt, for a separate listing of shares in its core water business on the London Stock Exchange. Mr Byatt wanted a listing of ordinary shares as part of the conditions for the proposed takeover by Welsh Water of South Wales Electricity but has accepted instead the issue of new preference shares and a series of other undertakings to ensure that the regulated water business is ring-fenced. The bid could however still be referred to the Monopolies and Mergers Commission by the Office of Fair Trading.

#### British Gas buys Fiat oil interests

British Gas has acquired for around £20m the oil and gas interests of Fiat RIMI, which includes 50 exploration and production licences in Italy. The portfolio covers acreage in the Southern Apennines, an area where large oil accumulations have been found. British Gas said that following the transfer, most of the gas production would still be sold to the Fiat Group, which is already a partner to the UK company in a programme of combined heat and power generating projects in Italy.

## Police move in at Wainhomes

TOM STEVENSON

City Editor

The police moved into a subsidiary of recently floated housebuilder Wainhomes yesterday to investigate alleged valuation irregularities, over-invoicing and theft. The company, which responded to the crisis by dismissing its chief executive, also issued a profits warning. Its shares plunged 38 per cent.

The cost of the accounting irregularities, estimated at £2m by the company, will blow a hole in profits which reached £10m in the year to last March but have been under pressure this year as a result of the stagnant housing market.

Gavin Reed, chairman, said the dismissal of Ron Smith was not directly related to the police investigation into Wainhomes Northern but he was unequivocal about the reasons for the chief executive's departure.

A senior figure at a rival housebuilder said it was extremely unlikely that the problems at Wainhomes Northern were restricted to that division.

He also pointed to possible conflicts of interest at the company where non-executive directors are among the largest shareholders. Trevor Hemmings, the former chairman,

of confidence in him generally, Mr Smith has been dismissed and will cease to be a director of the company."

Industry sources said they believed two employees at the division had already been sacked and two more suspended. Further dismissals at the highest levels within Wainhomes Northern are expected this week.

Bill Ainscough, founder of what is now the Northern division in 1972 and deputy chairman, will take over as chief executive and will conduct a full review of the company's internal controls.

A senior figure at a rival housebuilder said it was extremely unlikely that the problems at Wainhomes Northern were restricted to that division.

He also pointed to possible conflicts of interest at the company where non-executive directors are among the largest shareholders. Trevor Hemmings, the former chairman,

was on a two-year rolling contract suggesting he could be in line for a compensation payment of almost £400,000. Negotiations are continuing.

The police investigation is understood to be focusing on the possibility of over-invoicing, whereby staff at the division colluded with outside suppliers or sub-contractors to create false

documentation. They are also looking into theft of building materials.

More damaging to the company's reputation in the City, however, is the suggestion by one source that the division's work in progress was deliberately overstated to enhance profits.

It is thought that shared costs, such as roads and sewers, did not appear in the accounts in the early years of a building site's expected life in the hope that rising house prices would hide the impact of higher cost of sales in subsequent years. When house prices stagnated, the discrepancy was discovered.

Analysts yesterday re-drew forecasts for the year to March to show a 40 per cent underlying fall in profits from £10m to £6.1m. After the cost of adjusting Wainhomes Northern's work in progress, profits are expected to emerge at just £4.1m half the level of forecasts before yesterday's news.

The PIA to raise £15m for safety net

NIC CIRCUIT

Radical plans to rescue the beleaguered Investors Compensation Scheme, the safety net for victims of fraud or bad advice, are set to be unveiled by a top financial regulator.

The Personal Investment Authority will call for an extra £15m to be raised from its members to help the compensation scheme in times of crisis.

The aim will be to prevent a repeat of last year's problems, where the Treasury was forced to step in and underwrite up to £17m of payments only hours before the scheme ran out of cash.

Despite protests from many financial advisers, who fear they could be left to foot the bill alone, the PIA will stand by its policy of refusing to use the

money raised to pay compensation for pension mis-selling.

Garry Heath, chief executive of the ICS Association, the financial advisers' trade body, said: "We have suggested pre-funding the scheme by surrendering a proportion of our commission earnings, so this would appear to be close to our position."

"I am nervous, however, that they have not grasped the nature of pension transfers yet."

Paul Smeec, head of the ABI's life insurance section, said: "We

will be looking at the proposals carefully. What we still need is a regulatory system that prevents the need for people to have to be paid compensation."

The PIA's consultation document follows mounting concern over funding of the compensation scheme.

At present, the scheme pays out to investors and then levies regulators for the amount.

The PIA, which usually meets the vast majority of each year's bill, does so by a system of cross-funding between members. But it was forced to suspend payments, triggering the Treasury's intervention, after being challenged in court by an insurer.

Its new proposals include using the same cross-funding formula to meet the maximum £100m it is liable for in any one year, double the previous amount.

## Graduate plus

Graduate plus is the marketplace with editorial and recruitment targeted at both undergraduates and graduates with 2-3 years relevant experience

See page 19 & 22  
section two

To book your advertisement

call the Graduate Team on

0171 293 2312

Every Thursday in the

THE INDEPENDENT  
section two

# business

THE INVESTMENT COLUMN  
Edited by TOM STEVENSON

## First Leisure lays gloom on thick

Gaining a reputation for being the best management in the sector can be a mixed blessing when things do not progress as quickly as the market had hoped. Yesterday's full-year figures from First Leisure were pretty impressive in the context of flagging consumer demand, a hot summer and the competitive challenge of the National Lottery, but the shares still closed 19p lower at 349p.

That was the first big setback in a lucrative year for First shareholders, who have seen their holdings appreciate by more than 50 per cent since the beginning of 1995.

Partly it reflected disappointment at pre-tax profits which, at £40.1m for the year to October, were about 21m lower than some brokers had forecast. But mainly it was due to the gloomy tenor of chief executive John Conlan's comments on consumer spending during the rest of 1996.

Although lower than expectations, the profits achieved during the year were still 7 per cent better than a year earlier, a doubly impressive performance in the context of First's ultra-cautious accounting policies with regard to new developments – the more the company expands the bigger the hit to profits.

Against that background, First did extremely well to increase earnings per share by 6 per cent to 16.98p (excluding last year's asset disposal profits), allowing a 10 per cent rise in the full-year payout to 7.72p.

Analysts think Mr Conlan, a well-known Jeremiah, is actually laying it on a bit thick with regard to consumers continuing refusal to dip into their pockets. They are anticipating a noticeable rise in consumer confidence in the run-up to the next election. That will flow straight through to First's low-ticket leisure activities.

Whatever the short-term outlook, First Leisure is pursuing an eminently sensible strategy, using its cash-generative core businesses of bowling, theatres and resorts to fund the rapid roll-out of new formulas such as health and fitness centres, bingo halls, discos and themed bars.

The cost of moving into new areas was shown most clearly by the bingo division where, despite a rise in sales by 58 per cent to £15.5m, profits slipped by 14 per cent to £1.9m. Dancing, however, managed to shrug off the effects of expansion, generating a 17 per cent increase in profits to £17.8m from discotheques from a 14 per cent increase in turnover.

The real impact of all the spending last year and this, of course, will not show through to profits until probably 1998, right at the horizon of most in-

vestors' short-term plans. That puts the shares, on a prospective price/earnings ratio of 18 (on forecast profits this year of £45m), at a demanding 30 per cent premium to the market. The best of the run is over for the time being but the shares remain a good long-term hold.

### Gas problem can be solved

The political manoeuvring over British Gas's notorious "take or pay" supply contracts has intensified in the past week, increasing the worry for thousands of private shareholders who have seen the value of their investments dwindle since last summer.

On Friday it was reported that the gas giant was considering involving banks in a plan to mount an enormous buyout of the contracts, said on one estimate to be worth £40bn over 25 years. This week, the company's difficulties were underlined by a report that the regulator, Clare Spottiswoode of Ofgas, would not take account of the contract problems during the current review of both gas supply and transportation charges.

Much of this looks like posturing between the parties in the negotiations between British Gas and the North Sea oil companies. But the stakes are high. The scale of the problem was demon-

strated last year when the company said the take or pay deals had resulted in it forking out £520m for gas it did not use during 1995. If Ms Spottiswoode decides to be tough in her current review, the effect could be further devastation to British Gas's profits.

One estimate suggests that the company's TransCo pipeline and storage operation alone could see £1bn sliced off revenues and profits over the three years to 1997. Further damage would be inflicted if the regulator decides to cut British Gas's ability to pass through high gas costs to consumers.

It is hard to pin down who is to blame, but the Government must share some of the opprobrium. It wrongfooted nearly everyone by accelerating deregulation of the domestic market, due to begin in April. As well as a statutory duty to ensure the players in the new deregulated market are financially viable, it therefore has a moral duty to British Gas and the many small shareholders enticed into the 1986 privatisation.

Neither the buyout plan nor a suggested levy on consumers looks politically acceptable. But a solution is by no means impossible. The £40bn estimate of the buyout cost is based on a 10p gap between contract and spot gas prices.

The difference in British Gas's costs is more like 3p to 4p, which would cut the gap to a much more bridgeable figure nearer £3bn on a discounted basis.

A gloomy tale, but despite profit es-

timates cut to around £830m for last year, the shares, down 12p at 255.5p, are still worth holding on a p/c of 13. The yield of 7.1 per cent is attractive and the possibility of a takeover cannot be totally ruled out.

### Budgens' niche looks vulnerable

Budgens' management must be pleased with the decision to abandon its budget format last year. It was a costly move, which involved selling unwanted stores to Lidl of Germany and converting others into the standard Budgens format. It also wrecked the company's full-year results in July and sparked a spectacular falling out with its big German shareholder.

Half-year results announced yesterday, however, showed that the company is finally starting to put its ill-fated dabble with discounting behind it. Pre-tax profits for the six months to November jumped from £0.9m last year to £4.5m this time.

Like-for-like sales figures have also motored ahead and were up 4.5 per cent on the same period last year.

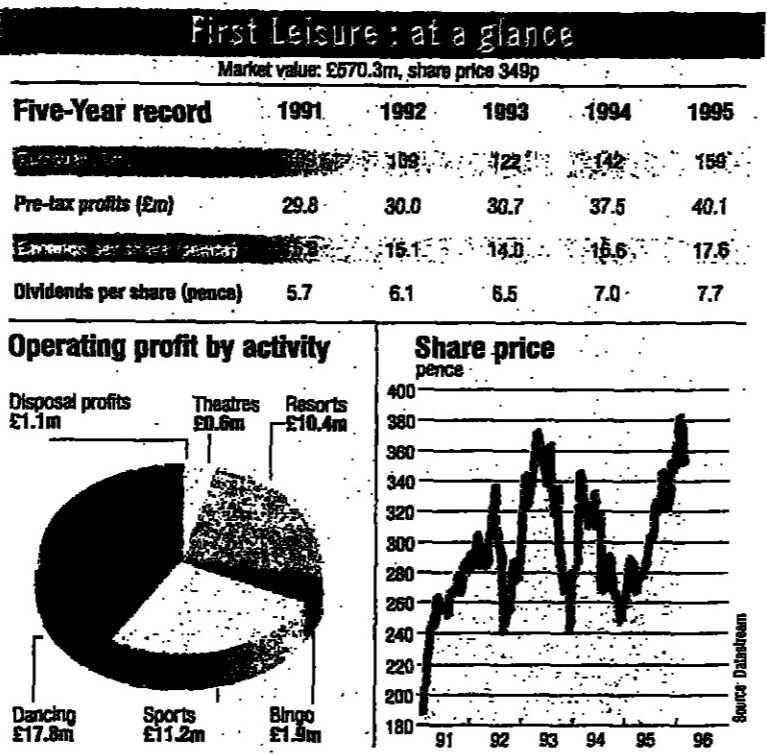
Significantly, the company has not been buying higher sales by giving away margin. Operating margins have improved due to Budgens' membership of a £3bn buying co-operative which is attracting new members and a decision to devote more space to fresh foods, which yield higher margins.

The company hopes that its new Budgens Visa card, launched yesterday, will help improve loyalty and drive sales. The company insists it will not hit margins, though it declines to say how.

Budgens also insists that it is not caught in no man's land between the Continental discounters and the big supermarket groups. Its niche, it says, is as a "top-up shop" which complements the others.

This may be true but it leaves the group vulnerable to attack. A Kwik Save assault on fresh foods would hurt. And Safeway is poaching more and more family shoppers from Budgens' back yard. The problem here is that once a store loses primary shoppers it has to work twice as hard to replace them with secondary customers.

A good set of results, then, but not enough to generate real excitement. With NatWest forecasting full-year profits of £7.5m, upgraded from £5.8m, and with the shares up a penny to 34.5p, compared with net assets of around 31p, on a forward rating of 11 the shares look no more than a hold.



## Hotel Breaks with THE INDEPENDENT

Two nights for the price of one



We would like to invite you to take a short break in the country at a top-class, owner run hotel and stay two nights for the price of one. Simply pay for one night's bed and breakfast and you will get the next night, including breakfast, free. Rates are based on a double room.

All the participating hotels are part of the Minotel consortium and many will allow you to enjoy a longer stay on the same basis: pay for two nights and stay for four, for example. You can check with your chosen hotel when you make your initial reservation.

There are more than 100 Minotel hotels participating in this offer and they are located throughout England, Wales and Scotland. In yesterday's paper they were listed and briefly described.

All hotels offer top-class comfort and pride themselves

on providing a personal service that many larger establishments cannot match.

To qualify for your 2 For 1 break, you must collect FOUR differently numbered tokens from the seven we are printing and attach them to a voucher which we will print in Saturday's edition of *The Independent* on 17 January with a free night's bed and breakfast for two people in a standard twin or double bedded room when a second night's bed and breakfast is pre-purchased at the same rate as the prices shown per person per night.

Some hotels, at the proprietors' discretion, will accept the voucher for longer stays on the same 2 For 1 basis, so you can stay for 4 nights for the price of 2 for example. Please check with your chosen hotel when making your booking.

The voucher does not cover payment for any other goods or services that may be requested by the holder and cannot be used with any other offer, saving or discount that may be available at the hotel.

One child, under the age of 12 years at the time of booking and sharing a room with two adults will be accommodated free of charge but all meals, including breakfast, will be chargeable.

The descriptions and prices contained in this offer have been supplied by par-

1. To participate in our 2 For 1 offer you must collect 4 differently numbered tokens and attach them to a voucher which will be printed on the first day of the offer. Saturday 20 January along with a confirmation booking form.

2. The voucher may be redeemed at any participating Minotel hotel featured in *The Independent*'s destination section on Wednesday 17 January for one free night's bed and breakfast for two people in a standard twin or double bedded room when a second night's bed and breakfast is pre-purchased at the same rate as the prices shown per person per night.

3. Some hotels, at the proprietors' discretion, will accept the voucher for longer stays on the same 2 For 1 basis, so you can stay for 4 nights for the price of 2 for example. Please check with your chosen hotel when making your booking.

4. The voucher does not cover payment for any other goods or services that may be requested by the holder and cannot be used with any other offer, saving or discount that may be available at the hotel.

5. One child, under the age of 12 years at the time of booking and sharing a room with two adults will be accommodated free of charge but all meals, including breakfast, will be chargeable.

6. The descriptions and prices contained in this offer have been supplied by par-



For queries call Minotels on 01253 292000 or Charterhouse Promotions on 0126 2477740.

Simon Pincombe CITY DIARY

## Bono of contention over 'Guardian' ad campaign



Flattered: Bono of U2, who backs his video director's claims

Creative tensions in the highly strung world of advertising where one of the country's top directors of pop videos is accusing the *Guardian* newspaper and its agency of piracy. The director, Mark Neale, is noted for his work with U2 and is claiming the *Guardian's* current television campaign to be a "blatant steal" of earlier work he did for the Irish musicians. He is demanding immediate satisfaction from the paper and its agency, Leagas Delaney, and has enlisted the support of Bono and the other band members.

The *controversy* developed after the video director presented a show reel to the *Guardian's* agency, which was doing the groundwork for the paper's new commercial. He alleges that the creative team then "ripped off" bits of the reel (which included scenes from U2's *Changeling* 4 special) and accuses it of "outright theft of intellectual property".

Not that our video director knew anything about it. Until, that is, he saw the *Guardian's* advertisement on television and was overcome by a sudden feeling of *déjà vu* (allegedly).

U2's view is that it leaves the company in the sincerest form of flattery but they have nevertheless given their blessing to any action to redress the alleged plagiarism.

The inaugural expletive in the hallowed pages of the *Financial Times* did not make it past the second edition yesterday. The offending f-word was swiftly removed from an interview with Kelvin Mackenzie, head of broadcasting at the Mirror.

The Granada camp is incensed at the heavy influence being wielded by the Forte family with its friends in the fourth estate. Advisers to the leisure group complain that its £3.8bn bid for Forte is being undermined by a press campaign led by the London *Evening Standard*, whose new editor, Max Hastings, is a shooting buddy of Sir Rocco Forte.

"That is just the half of it," complains one adviser. "We have also had hostile pieces by William Shawcross in the *Financial Times* (married to Sir Rocco's sister, Olga Polizzi) and by Henry Porter in the *Daily Telegraph* (a good friend of Ms Polizzi)."

Time for Gerry Robinson to marry a journalist.

## World-wide slump strikes Prudential

NIC CICUTTA

Prudential, the UK's largest life insurer, revealed yesterday the stark effect of a world-wide slump in its sales of insurance products as it announced that its single-premium income dropped by 11 per cent in 1995 to about £4.4bn.

World-wide sales of the Pru's regular premium life and pension products also fell by 3 per cent, to £500m.

But the company claimed that, despite the sales fall, there were some signs of a recovery in the life and pensions market. Results in the fourth quarter showed the Pru's premium income was about 10 per cent up on the previous three months.

The recovery throughout the latter part of last year was also apparent in the UK, the company claimed, with life and pension sales up in the last three months of the year compared with the same period a year earlier. Peter Davis, group chief executive, said: "I am encouraged that in difficult markets in the UK sales continued to show signs of improvement."

The company's view reflects a survey jointly carried out by the Confederation of British Indus-

try and Coopers and Lybrand, which predicted a pick-up in business next quarter.

Prudential's investment product sales, however, fell last year, with regular premium investments down from £26m to £25m. One-off sales tumbled from £251m in 1994 to £112m last year. In Britain, sales of annual and regular premium life and pension products dropped by 8 per cent to £244m and £22m respectively.

The decline was particularly marked in the unit trust and PEP business, where income fell from £168m to £161m. The collapse in confidence in the Pru's unit trusts and Peps was even starker among independent financial advisers, who steered just £17m of their clients' money towards the Pru, down from £26m in 1994. The company did succeed in tapping into the market for pensions annuities, where sales for 1995 were up 39 per cent to £590m.

New premium figures for General Accident Life in 1995 fell 26.2 per cent to £33.6m in 1995, while annual premiums as a whole were down 20.7 per cent to £42.3m. However, the company's new single premiums rose 60 per cent to £89.3m.

## French unrest will damage Photo-Me

The recent widespread strikes in France will cut profits this year at Photo-Me International, writes Maguire Grimaud.

The photo booth operator said yesterday that the industrial unrest had resulted in a significant reduction in sales at the French subsidiary, jeopardising an expected profits improvement in the second half.

As a result profits for the year to April could be 5 to 10 per cent below last year's figure of £14.5m. The news, which accompanied almost flat interim profits of £10.1m, disappointed the market and Photo-Me's shares slid 8 to 12.5p yesterday.

However, the managing director, David Miller, remains

### COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Budgens (I)	183m (190m)	4.3m (0.8m)	2.1p (0.4p)	0.35p (0.3p)
Dudley Jenkins (I)	9.12m (7.17m)	0.57m (0.51m)	3p (2.85p)	1.15p (1.1p)
First Leisure (F)	159m (142m)	40.1m (37.5m)	17.5p (16.5p)	7.02p (7.02p)
Irish Continental (F)	1116m (917m)	111.0m (93.3m)	42.7p (40.2p)	4.5p (

# JP MINTON

# market report/shares

**DATA BANK****FT-SE 100**

3,704.2 - 6.4

**FT-SE 250**

4,035.6 - 1.9

**FT-SE 350**

1,837.9 - 2.6

**SEAO VOLUME**

773.6m shares,

34,335 bargains

**Gilt Index**

95.97 - 0.01

**SHARE SPOTLIGHT**

share price, pence

310

300

290

280

270

260

250

240

230

220

210

200

190

180

170

160

150

140

130

120

110

100

90

80

70

60

50

40

30

20

10

0

Vaux

Source: SEAO

## Vaux froths on talk that Wolves may be closing in

**MARKET REPORT****JOHN SHEPHERD**

Takeover rumours surrounding Vaux, the Sunderland-based regional brewer, intensified yesterday and drove the share price up 10p to 289p in a session that saw both leading and second-line stocks lose ground.

The brewing industry is ripe for further consolidation following last summer's takeover of Courage by Scottish & Newcastle, a deal that will undoubtedly put pressure on the smaller regionals.

There is some belief that Wolverhampton & Dudley, which suffered more than most from the beer price war between Bass and Courage, may be looking to join forces with Vaux which is finding the going far from easy in its North-east heartland. Vaux closed 5p higher at 592p.

Bass, a penny higher at 728p, is also viewed in some quarters as a possible suitor for Vaux. Besides pubs and brewing, Vaux operates the Swallow

hotel chain that could swiftly be converted under the Holiday Inn flag of Bass.

Most speculation, however, discounts a move by Bass simply because it would run into problems arising from the controversial Beer Orders over the number of pints it can own.

Vaux is valued at £405m at the current market price, and

The industrial logic for the two groups to join forces is strong. A merger would create a powerful regional with interests spanning the Black Country across the Pennines and into the North-east where Vaux already has a presence with its Cameron brewery.

The takeover speculation also buoyed Morland, the Oxfordshire-based regional brewer. Morland, ahead 12p to 595p, has traded well in the last couple of years since Green King, unchanged at 613p,

failed to buy the company. Lively activity in the breweries sector was not indicative, however, of the rest of the market. Profit-takers took advantage of the previous day's surge, although falls were contained by general optimism that UK interest rates would soon be cut following yesterday's lowering of the repo rate in Germany.

The FT-SE 100 share index managed to hold ground above 3,700 - but only just - thanks to a tentative rally in late dealings as Wall Street opened higher. The index, down 14.9 points an hour before the close, finished 6.4 lower at 3,704.2.

A similar pattern was recorded among second-liners. The FT-SE 250 ended the session 1.9 lower at 4,035.6.

Among the losers, British Gas had a torrid day. Shares dropped 12p to 255.5p and more than 33 million were traded. Several broking houses are concerned the company will have to foot the bill on high-priced contracts signed a few years ago with gas producers.

Ladbrokes, the hotels and betting shops company buoyed recently by talk of a bid from Bass, also had a bad day and fell 4.5p to 160p as a large seller of around 6 million shares ap-

peared on the scene. Trading volume totalled 15.35 million, although the seller, according to a source, still believed that Ladbrokes was a potential bid target at a later date by moving heavily into the options market. In what is known as a cylinder deal or butterfly spread, 6,000 calls and a matching number of puts were dealt in the August 160p series.

The takeover spotlight shone brightly, however, on the Savoy Group which is pug-in-the-middle of the Forte battle with Granada. Shares in Savoy, as low as 930p just over a week ago, surged 100p to 1,120.

Granada, steady at 693p, is being increasingly tipped as the favourite to win the fight for Forte, off 3p to 377.5p. Granada has pledged to sell Forte's holding in the Savoy, and there are strong rumours that a queue of buyers comprising US hotel companies is forming.

Confirmation of a bid ap-

proached boosted Lloyds Chemists by 75p to 360p. Favourite suitor is Unichem, down 10p to 239p.

Kingfisher, one of several retailers to announce Christmas trading statements, is also rumoured as a possible buyer.

Shares rose 9p to 538p.

Body Shop's downbeat trading update was greeted with a 1p mark down to 151p. Better news lifted Alders 3p to 176p, and LJB Sports advanced 20p to 618p.

Negative equity took on a new meaning at Wainhomes. The shares collapsed 41p to 68p on news of a police investigation into alleged valuation irregularities, over invoicing and theft.

In pharmaceuticals, Medeva dropped 14p to 259p as the Food and Drug Administration in the US said there was a possibility its hyperactive drug for children drugs might cause cancer in mice.

**TAKING STOCK**

□ There was good demand for shares in IBC Group, the conference organisers and publishers. Some orders, though, were said to have been left unfulfilled due to a stock shortage. Shares increased 13p to 286p amid talk the company was on course to produce sparkling results for the 1995 year. The half-year to June produced a rise in taxable profits from £4.94m to £6.4m.

□ Greenall's Group's claim for a place among the stock market's elite 100 companies was reinforced yesterday as the shares added 2p to 580p on the sale of most of its Thos Peating Fine Wines business in East Anglia to Victoria Wine, part of Allied Domecq. The pubs, hotels and leisure group is valued at £1.714bn, marginally more than the worth of each of the bottom five in the FT-SE 100.

Stock	Price	Chg	Yd	Pres	Index
Banks					
Bank of England	3,704.2	+6.4	-	-	FT-SE 100
Barclays	3,690.0	-1.0	-	-	
Chase Manhattan	3,680.0	-1.0	-	-	
CIBC Wood Garry	3,670.0	-1.0	-	-	
HSBC	3,660.0	-1.0	-	-	
Leeds Building Society	3,650.0	-1.0	-	-	
Midland Bank	3,640.0	-1.0	-	-	
Santander	3,630.0	-1.0	-	-	
Saxo Bank	3,620.0	-1.0	-	-	
Standard Chartered	3,610.0	-1.0	-	-	
Westpac	3,600.0	-1.0	-	-	
Woolwich	3,590.0	-1.0	-	-	
Others					
ABN Amro	3,580.0	-1.0	-	-	
BNP Paribas	3,570.0	-1.0	-	-	
Deutsche Bank	3,560.0	-1.0	-	-	
HSBC	3,550.0	-1.0	-	-	
JP Morgan	3,540.0	-1.0	-	-	
Lehman Brothers	3,530.0	-1.0	-	-	
NatWest	3,520.0	-1.0	-	-	
Salomon Brothers	3,510.0	-1.0	-	-	
Unicredit	3,500.0	-1.0	-	-	
Others					
Amoco	3,490.0	-1.0	-	-	
BP	3,480.0	-1.0	-	-	
Citibank	3,470.0	-1.0	-	-	
Exxon	3,460.0	-1.0	-	-	
ExxonMobil	3,450.0	-1.0	-	-	
Imperial Chemical Industries	3,440.0	-1.0	-	-	
Shell	3,430.0	-1.0	-	-	
Unilever	3,420.0	-1.0	-	-	
Others					
Anglo American	3,410.0	-1.0	-	-	
Anglo-Dutch	3,400.0	-1.0	-	-	
AngloGold	3,390.0	-1.0	-	-	
Anglo-Petroleum	3,380.0	-1.0	-	-	
Anglo-Suisse	3,370.0	-1.0	-	-	
Anglo-Shell	3,360.0	-1.0	-	-	
Anglo-Sudan	3,350.0	-1.0	-	-	
Anglo-Union	3,340.0	-1.0	-	-	
Anglo-Venezuela	3,330.0	-1.0	-	-	
Anglo-Well	3,320.0	-1.0	-	-	
Anglo-Zim	3,310.0	-1.0	-	-	
Others					
Alcan	3,300.0	-1.0	-	-	
Alcoa	3,290.0	-1.0	-	-	
Alusuisse	3,280.0	-1.0	-	-	
Alusuisse	3,270.0	-1.0	-	-	
Alusuisse	3,260.0	-1.0	-	-	
Alusuisse	3,250.0	-1.0	-	-	
Alusuisse	3,240.0	-1.0	-	-	
Alusuisse	3,230.0	-1.0	-	-	
Alusuisse	3,220.0	-1.0	-	-	
Alusuisse	3,210.0	-1.0	-	-	
Alusuisse	3,200.0	-1.0	-	-	
Alusuisse	3,190.0	-1.0	-	-	
Alusuisse	3,180.0	-1.0	-	-	
Alusuisse	3,170.0	-1.0	-	-	
Alusuisse	3,160.0	-1.0	-	-	
Alusuisse	3,150.0	-1.0	-	-	
Alusuisse	3,140.0	-1.0	-	-	
Alusuisse	3,130.0	-1.0	-	-	
Alusuisse	3,120.0	-1.0	-	-	
Alusuisse	3,110.0	-1.0	-	-	
Alusuisse	3,100.0	-1.0	-	-	
Alusuisse	3,090.0	-1.0	-	-	
Alusuisse	3,080.0	-1.0	-	-	
Alusuisse	3,070.0	-1.0	-	-	
Alusuisse	3,060.0	-1.0	-	-	
Alusuisse	3,050.0	-1.0	-	-	
Alusuisse	3,040.0	-1.0	-	-	
Alusuisse	3,030.0	-1.0	-	-	
Alusuisse	3,020.0	-1.0	-	-	
Alusuisse	3,010.0	-1.0	-	-	
Alusuisse	3,000.0</				

## unit trusts/data

## Foreign Exchange Rates

Country	Spot	DOLLARS			Spot
		1 month	3 months	Spot	
STERLING					
US	15305	13-11	33-30	1000	-
Canada	20843	15-6	51-37	13564	5-5
Germany	22415	59-52	139-149	14546	26-24
France	25935	55-59	53-74	50140	57-57
Italy	26245	77-92	230-224	1542	65-72
Japan	15145	88-91	237-231	1548	47-46
ECU	12122	15-7	37-28	12627	24
Belgium	46088	14-10	33-27	30100	57-47
Denmark	82695	38-45	337-243	56845	48-38
Netherlands	25105	63-54	50-58	15003	4-5
Ireland	53565	12-6	24-13	15835	8-10
Norway	32255	27-75	354-268	52325	35-40
Spain	15125	44-53	325-31	12430	37-42
Sweden	10206	15-22	50-61	65685	152-33
Switzerland	12053	75-70	213-204	1285	37-35
Australia	20582	9-21	43-62	13469	19-21
Hong Kong	15844	57-55	175-124	17220	2-12
Malaysia	35265	6-0	6-0	25565	4-16
New Zealand	23093	22-37	57-72	15068	30-32
Saudi Arabia	57412	6-0	6-0	17506	2-7
Singapore	25672	6-0	6-0	1460	41-30

**OTHER SPOT RATE**

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	15310	10000	Nigeria	121666	564000
Austria	15765	12294	Other	55555	252500
Brazil	14884	9722	Pakistan	52354	34750
China	127382	83202	Philippines	402347	203000
Egypt	5281	34072	Portugal	21264	19460
Finland	6810	44833	Oman	55723	34420
Ghana	22585	16230	Rwanda	778040	490000
Greece	357236	240260	South Africa	55767	55425
India	548302	35250	Taiwan	415584	225320
Kuwait	04590	02568	UAE	55237	34572

Note: Foreign rates quoted from [www.xe.com](#). \*Dollar rates quoted as midpoints. \*\*Euro rates  
as high as 1% in premium paid by our bank. Foreign exchange rates call 0891 123 3033. Call our 24hr toll-free number (toll-free rates apply outside US).

## **Tourist Rates**

E-Buys	C-Shops	E-Buys	
Australia(Dollars)	20000	France(Francs)	74200
Austria(Schillings)	153000	Germany(Mark)	23675
Belgium(France)	47500	Greece(Drachmas)	355000
Canada(Dollars)	20400	Hong Kong(Dollars)	116500
Cyprus(Pounds)	07000	Iceland(Iceland)	02500
Denmark(Kroner)	64500	Ireland(Pounds)	2385000
		Italy(Lira)	1510000
		Japan(Yen)	1000000
		New Zealand(Dollars)	22700
		Norway(Krone)	58500
		Portugal(Escudos)	120000
		Spain(Pesetas)	102000
		Sweden(Kronor)	12000
		Switzerland(Francs)	17200
		Turkey(Lira)	550000

## **Interest Rates**

UK Base	650%	Germany Discount	300%	US Prime Discount	875% 525%	Japan Discount	600%
France Intervention	470%	Lombard	500%	Fed Funds	544%	Belgium Discount	320%
Italy Discount	500%	Canada	7.75%	Spain	925%	Central Switzerland	240%
Netherlands Aberances	340%	Discount	5.75%	10-Day Repo	925%	Discount	100%
Denmark	Discount	Discount	4.25%	Sweden Repo (Ave)	825%	London	420%

## **Money Market Rates**

	O'Night	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank Sterling CDs	\$	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4
Local Authority Depo Discount Market Depo	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4
Treasury Bills (Buy)	-	-	6 1/4	6 1/4	-	-
Dollar CDs	-	-	5.27	5.28	5.28	5.28
ECU United Dep	-	-	4 1/2	4 1/2	4 1/2	4 1/2

Contract	Settlement price	High/Low for day	ExChants traded	Open Interest	
Long Gilt (Mar 95)	111-25	112-06	55351	144878	
German Bond (Mar 95)	100.89	101.23	100.60	240737	
J.G.Bond (Mar 95)	120.18	120.24	120.17	425	
Italian Bond (Mar 95)	114.44	112.15	113.31	60300	
3M Sterling (Mar 95)	53.77	53.80	53.75	52200	
(Jun 95)	53.95	53.99	53.90	21615	
3M Euro S (Mar 95)	94.97	-	0	0	
3M Euromark (Mar 95)	96.61	96.63	96.60	356038	
(Jun 95)	96.75	96.80	96.76	30755	
ECU (Mar 95)	95.92	95.33	95.22	1033	
(Jun 95)	95.49	95.50	95.48	885	
Euro SF (Mar 95)	98.35	98.47	98.34	4267	
FTSE 100 (Mar 95)	37230	37410	37070	10719	
FT-SE 250 (Mar 95)	40500	-	0	342	
Eurora (Mar 95)	90.41	90.47	90.35	1334	45597

Series	3650	3700	3750
January	59/1	19/11	24/1

January	81/22	57/11	31/68	15/104
February	81/23	57/140	31/68	15/104
March	74/43	82/51	55/68	34/117
April	129/89	99/89	75/114	53/143

## **Commodities**

INDUSTRIAL METALS - London Metal Exchange					
Security	Cash	3 mths	Volume	LME Stocks	chg
Alu HG	1507-08	1508-09	52024	516375	+ 14375
Alu Alloy	1250-1402	1432-35	2036	534452	+ 400
Copper A	2581-86	2480-81	66437	337325	+ 7250
Lead	715-17	708-09	9912	122500	- 3200
Nickel	7810-20	7910-13	3224	42060	- 384
Tin	6265-75	6300-10	497	1575	+ 140
Zinc	1028-29	1050-51	1504	681650	+ 3675
Safflower Oil Importer	85	80s	8V	Stock volume & change in tonnes	
exchange rate:	153.42	1450	15.58	as at Tuesday 15 January	

Platinum	418.00	272.55
Palladium	130.00	84.40
Gold	512.00	357.55

Silver spot	548.00	357.50	Britannia 25 oz.	104	68	Nobles	4012.25	259.75
Gold Bulln	398.25	260.05	Britannia 10 oz.	49	32	Maple Leaf	359.45	251.07
Source: Bank of Canada								
<b>AGRICULTURAL</b>								
Cocoa	Coffee		Barley			Potatoes		
LOE	Dom	LOE	Stone	LOE	Stone	LOE	Dom	ATR
Mar	916	Jan	1577	Jan	11450	Mar	20300	Apr
May	938	Mar	1540	Mar	11250	Apr	19250	May
July	957	May	1571	May	11250	May	30300	Jun
Vol	4,223	Vol	7,765	Vol	62	Vol	115	Vol

**White Sugar      Raw Sugar**

Mar	35820	Mar	1030	Jan	1550	Jan	12100	H-Ld	5611
May	34280	May	1175	Feb	1555	Mar	12455	Mar	55825-34850
Aug	32940	July	1079	Oct	243	May	12450	May	55125-55350
Vat.	3,930	Vat.	8	Index	1558	Vat.	615	Ju	55125-55000
Source: CME									
<b>Other Soya (Agricultural)</b>									
Jan	Matto (NY)***	Stone	15150	Jan	Soy Oil	F/L	100kg		.500
Jan/Feb	Copra (I)	Stone	1820	Jan/Feb	Coconut Oil (I)	Stone			5025
Mar	Cotton (NY)	USCent/lb	12.30	Jan	Sunflower Oil	Stone			650
Feb	Wool	Acreage	6550	Feb	Repeated Oil	F/L	100kg		
Feb	Rubber**	Mounting	5000	Jan/Feb	Canola Oil	Canola			1025

## **ENERGY**

**Index**      1970 = 100  
**Agriculture**      1970 = 100

	1983	1982	Change	1983	1982	Change	1983	1982	Change
Energy	\$65 - \$10	\$670	-\$90	7131	4489	+56%	2910	1700	+71%
Industrial Metals	\$177 - \$10	\$1443	+\$32	183.92	135.52	+36%	58.29	57.93	+0.5%
Livestock	\$150 - \$10	\$770	+\$43	182.71	124.49	+44%	222.71	140.25	+59%
Precious Metals	\$153 - \$10	\$6250	+\$78	482.06	343.60	+39%	184.77	138.78	+34%
<b>Total</b>	<b>\$1,053 - \$10</b>	<b>\$10,270</b>	<b>+\$1,220</b>	<b>\$1,000.00</b>	<b>\$6,800</b>	<b>+48%</b>	<b>\$3,000.00</b>	<b>\$2,000</b>	<b>+50%</b>

Source: Goldman, Sachs & Co. \*GCI is a trademark and service mark of Goldman, Sachs & Co. 1Close as of 28 June 1984.

Abbey National Managed  
ABBA Use 62 Managed  
ABBA Use Bell  
ABBA Use Bell as well

Alber Lle 23 3 Way	62515	AMF Managed	5812	5844
Albrey Multiple Investments	10212	AMF Managed	5810	5842
Allied Dunbar Managed	12512	AMF Managed	5811	5843
AXA ESL Reference SSI	62518	National Growth Managed	5815	5847
AXA ESL Div SSI	6214	NFLI Managed	5816	5848
Avantus Backlogpool	10518	Northeast Union	5817	5849
Bachman Managed	7145	Northeast Union	5818	5850
Bachman Inc Sec 2	62511	Northeast Union Managed Uts	5819	5851
Black Horse Managed Inv S2	5844	NRI Managed	5814	5846
Blairmore	58275	Past Managed Group	5815	5847
Closed Med Fit Supplies	3811	Past Managed Fund	5843	5845
CMCI Managed S2/2E	3243	Pension Fund	5719	5847
Colonial Mutual Managed	5704	Prudent Asset Managed	5810	5842
Colonial Mutual Managed	7254	Prudential Ass Produc Managed	5811	5843
Colonial Mutual Managed	4710	Prudential L. Managed	5812	5844

**Confidential Managed S4**  
**Confidential Managed A**  
**Confidential Managed?**  
**Confidential Managed**

CI Prime Managed	442	474	Royal Life Managed	425	454
Eagle Star Equity Managed	250	248	Royal Scottish Growth Managed	456	454
Eagle Star Managed	260	248	Sure + Prosper Balanced Invest	442	454
FP Managed	261	262	Scottish Atlantic Managed	458	454
FPC/CM Managed/Merge	453	451	Scottish Equitable Managed	458	454
Friends Prov Managed	329	330	Scottish Equitable Mutual	329	329
GA Managed	345	346	Scottish Life Managed	323	323
Gen Flexible	253	265	Scottish Mutual Group	253	253
Gen Foreign & Colonial	351	290	Scottish Prov Inv Cm Mngd	351	351
Gen Managed	329	329	Scottish Prov Inst Managed	327	327
Gen Mut Sel St	343	353	Scottish Widows Mngd	354	354
Gen Purpose	260	258	Stamda Balanced Managed	455	455
GME LLA Managed	252	253	Stamda Fid Managed	245	245
	7621	7517	Stamda Fr Managed	254	254

**State Assured Managed  
State Managed A  
State Target Managed  
State Target Managed**

First Commerce Inv. Growth	202	Sun Alliance PG Investment A.	2024
First Life Global Managed S3	6442	Sun Alliance Pn Wealth Advisor	2025
First Reliance Mngd	1514	Sun Life Managed	20245
FirstRealty Scott Assets Managed	1672	Sun LifeCan Managed	20255
FirstRealty St. James Managed	526	Swatches Managed	2026
FirstRealty Managed S3	510	TIAA Retirement	20265
Legal & Gen Managed S2	887	TIAA Managed	2027
Liberity Managed	5703	United Priority Managed	20275
Liberity Select Security A	5245	Westpoint Managed	2028
Neocell NJ Angel	592	Winton Investors Managed S2	20285
Neocell NJ Managed S3	5114	Winton Karl Key Managed	2029
Neocell NJ Managed S4	2564	Wintonstar Unit Fund Mgmt	20295
Neocell NJ Subsidiaries S2	436	Wintonstar L & G Managed	2030

# Maguire out to show he is still the real McCoy

## Racing

GREG WOOD

The current campaign over the sticks has not, as yet, been Adrián Maguire's finest. A mixture of injury and the arrival of young talents in Tony McCoy and David Bridgewater denied him any chance of a first rider's title long before Christmas. The Irishman is nothing if not resilient, however, and yesterday he received the considerable encouragement of being booked to ride Montelado, ante-post favourite for Sunday's Irish Champion Hurdle at Leopardstown.

Maguire will also partner Montelado if – and in view of

the gelding's previous injury record, it is a big if – he lines up for the Champion Hurdle at the Festival in March, a race for which he is the 9.2-second favourite. Pat Flynn, Montelado's trainer, turned to Maguire when both Richard Dunwoody and Charlie Swan were claimed ride Balwahar and Hotel Minella respectively.

Montelado has not run over hurdles since finishing ninth in the Champion Hurdle 10 months ago, but even almost three years on, the memory of his crushing success in the Supreme Novices' Hurdle of 1993 is strong enough to make him a leading candidate for this

year's Champion. Wins on the Flat last year, including the Irish Cesarewitch, showed that he is returning to form and fitness, but his return to the winter game has been frustrated to date, first by illness and then by frost-bound tracks both in Ireland and Britain.

For Maguire, the booking could mark a significant change of fortune. With doubts surrounding so many of Montelado's possible rivals at the Festival, Maguire may even find he is on the Champion favourite by Sunday evening. Another jockey with some

luck on his side is Danewin as he is regarded as a certain starter. Horses in the Grand National will now have to be declared to run 48 hours before the race, with reserves standing by to ensure a maximum field.

## Swing loses place in Dubai Cup

Celtic Swing, who had looked likely to make the line-up for the Dubai World Cup after the withdrawal of the Japanese horse, Taiki Blizzard, has not confirmed that he would be ready for the race on 27 March and the organising committee decided to

select Danewin as he is regarded as a certain starter. Horses in the Grand National will now have to be declared to run 48 hours before the race, with reserves standing by to ensure a maximum field.

**TAUNTON**

**HYPERON**  
1.20 Hightown Cavalier (nb) 3.20 Garrylough  
1.50 Cavalier 3.50 Hull Mally Doll  
2.20 SUNLEY BAY (nap) 4.20 Blazon Of Troy

**GODING**: Good to Soft. Soft in places in home straight.  
■ Right-hand course. Soft in 150yds.  
■ Course 8 ft of town on B3170, Taunton station 2m. ADMISSION: Members £11; Padock £5.50; Centre of Course £4. CAR PARK: Centre of course 53; remainder free.

**SIS** **BETTING** **CARRIERS**

**LEADING TRAINERS WITH RUNNERS**: M Pipe – 42 winners from 170 runners gives a success rate of 24.7% and a loss to a 5.1 level stake of £23,067. P Hobbs – 19.4%, 16 winners from 82 runs; 21.5% to a 5.0 level stake.  
**LEADING JOCKEYS**: M P Fitzgerald – 18 winners, 109 rides, 15%; +7.82; J Osborne – 11 winners, 44 rides, 25%; T Dameray – 11 winners, 104 rides, 10.6%; +5.77; D Bridgewater – 10 winners, 66 rides, 15.2%; +35.15.

**WINNERS IN LAST SEVEN DAYS**: Master Morose (2.50) won at Wincanton on Tuesday. LONG-DISTANCE RUNNERS: Haddad (1.20), Scottish Wedding (1.50) & Test Match (2.00) have won 165 miles by W Clay from Sevenoaks Green, Staffs.

**TAUNTON**

**HYPERON**  
1.20 Hightown Cavalier (nb) 3.20 Garrylough  
1.50 Cavalier 3.50 Hull Mally Doll  
2.20 SUNLEY BAY (nap) 4.20 Blazon Of Troy

**GODING**: Good to Soft. Soft in places in home straight.  
■ Right-hand course. Soft in 150yds.  
■ Course 8 ft of town on B3170, Taunton station 2m. ADMISSION: Members £11; Padock £5.50; Centre of Course £4. CAR PARK: Centre of course 53; remainder free.

**SIS** **BETTING** **CARRIERS**

**LEADING TRAINERS WITH RUNNERS**: M Pipe – 42 winners from 170 runners gives a success rate of 24.7% and a loss to a 5.1 level stake of £23,067. P Hobbs – 19.4%, +82.9%; P Nicholls – 16 winners, 174 runners, 14%; +7.82; J Osborne – 11 winners, 44 rides, 25%; T Dameray – 11 winners, 104 rides, 10.6%; +5.77; D Bridgewater – 10 winners, 66 rides, 15.2%; +35.15.

**WINNERS IN LAST SEVEN DAYS**: Master Morose (2.50) won at Wincanton on Tuesday. LONG-DISTANCE RUNNERS: Haddad (1.20), Scottish Wedding (1.50) & Test Match (2.00) have won 165 miles by W Clay from Sevenoaks Green, Staffs.

**1.20 LEVY BOARD JANUARY CONDITIONALS HANDICAP HURDLE (CLASS E) £2,499 2m 3f 110yds Penalty Value £2,499**

1. 121044 HANNOVIAN (nb) 4.00 1st 7.11 1.00 D Matthews  
2. R343-50 STAR MARQUEE (nb) 4.00 1st 7.11 1.00 D Matthews  
3. 163P FEE'S A KING (6/6) 4.00 1st 7.11 1.00 D Matthews  
4. 013-510 FELIX TAL (12) (John Woods) W 5 Tumar 5 1.10  
5. 313-035 KADAM (9) (Fawley) 7 1.10  
6. 00-001 TICKETTY'S GIFT (nb) 4.00 1st 7.11 1.00 Mr Attwells  
7. 543-115 TICKETTY'S CHARM (7) (John Woods) 7 1.10  
8. 6104-12 SISTER SOUTHER (6) (The Stables Partnership) 7 1.10  
9. 1029P-S MAYFIELD PARK (7) (Bob Barnes) C 8 Tumar 11 1.00  
10. 0002-04 TICKETTY'S GIFT (nb) 4.00 1st 7.11 1.00  
11. 004-35 COOKE (26) (C M McCandless) R Baker 7 1.00  
12. 13-4000 SNACKIES (6) (Pamela Smith) 6 1.00  
13. 32-3320 CAVENDISH (12) 7 1.00  
14. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
15. 12-4007 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
16. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
17. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
18. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
19. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
20. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
21. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
22. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
23. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
24. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
25. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
26. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
27. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
28. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
29. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
30. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
31. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
32. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
33. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
34. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
35. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
36. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
37. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
38. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
39. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
40. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
41. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
42. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
43. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
44. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
45. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
46. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
47. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
48. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
49. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
50. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
51. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
52. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
53. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
54. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
55. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
56. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
57. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
58. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
59. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
60. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
61. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
62. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
63. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
64. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
65. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
66. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
67. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
68. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
69. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
70. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
71. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
72. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
73. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
74. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
75. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
76. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
77. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
78. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
79. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
80. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
81. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
82. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
83. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
84. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
85. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
86. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
87. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
88. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
89. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
90. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
91. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
92. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
93. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
94. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
95. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
96. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
97. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
98. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
99. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
100. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
101. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
102. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
103. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
104. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
105. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
106. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
107. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
108. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
109. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
110. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
111. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
112. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
113. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
114. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
115. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
116. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
117. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
118. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
119. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
120. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
121. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
122. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
123. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
124. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
125. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
126. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
127. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
128. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
129. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
130. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
131. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
132. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
133. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
134. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
135. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
136. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
137. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
138. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
139. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
140. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
141. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
142. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
143. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
144. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
145. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
146. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
147. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
148. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
149. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
150. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
151. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
152. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
153. 00-077 KARL'S KITCHEN (6) (A F Potters) 6 1.00  
154.

# sport

## Mind game gets better of Henman

### Tennis

If recognising his own inconsistency when faced with the sport's leading men will be of long-term benefit to Tim Henman then the Briton's 6-1, 6-3, 6-2 defeat by Jonas Bjorkman, of Sweden, yesterday will have not been a complete disappointment.

The 21-year-old's lackluster display in the second round of the Australian Open at Melbourne contrasted sharply with his stirring opening victory over Petr Korda. Henman was expected to make Bjorkman work hard for victory at the very least, having swept aside the world No 26 in four sets.

Henman, however, never approached Monday's heights, holding only one of his first seven service games and succumbing to defeat in only 87 minutes. Despite his poor showing, Henman was far from discouraged, and declared that his lapse in form could be attributed in part to his mental attitude when meeting the sport's top players.

"I think I must now improve my consistency against top-ranked players," Henman conceded. "I know I can play one good match, but after playing one I need to play a second. At least I've recognised the problem."

Andre Agassi, who nearly limped out of the tournament on Monday, found his stride to skip confidently past Vince Spadea in straight sets. The world No 2, now without strapping on his inflamed right knee, started uncertainly but grew in confidence as he brushed aside any doubts about the injury. The only blemish on his 6-4,

6-2, 6-3 victory came in the sixth game of the third set when he was given a code violation for verbal abuse after problems with his serve allowed Spadea to pull back from 40-15 down.

Agassi, however, regained his composure to take the game after Spadea wasted two break points, and reeled off the next three games to take the match in just under two hours.

Agassi, who injured his knee when he fell down a staircase at his hotel, struggled for mobility in his five-set battle with the unknown Argentinian qualifier Gaston Ellis on Monday. But the Las Vegan confirmed after his victory over Spadea that his knee had responded to treatment. "It is definitely a lot better today than it was, and I was moving close to par," Agassi said. "By the next match it should be 100 per cent."

Agassi's warm reception at the end of his match was nothing compared with the standing ovation earlier afforded Stefan Edberg, who bowed out of the event for the last time. Despite the passionate support of a packed court, the Swede, who has twice won the Open and will retire at the end of this year, was beaten in a five-set second round duel by the French qualifier, Jean-Philippe Fleurier.

Agassi's victory completed a successful day for the Americans. Of the seeds, Michael Chang defeated Jakob Hlasek in straight sets, while the unseeded Patrick McEnroe recovered a two-set deficit to beat the 14th seed, Andrei Medvedev. They were joined by the 15th seed, Todd Martin, and Jim Courier, the eighth, who beat Jeff Tarango.

**Tarango calls foul on Courier**

The temperamental time bomb that is Jeff Tarango exploded again yesterday at the Australian Open when the tetchy American challenged officials to cite opponent Jim Courier for all things, swearing.

Tarango, who walked out of Wimbledon last year after a heated exchange with an official, made repeated appeals to the

umpire, including a dare for him to cite Courier for foul language, before losing in four sets.

"I was just asking how many times somebody needs to do that [swear] before he is warned," said Tarango, suggesting he was being treated differently to the world No 8.

Courier will meet Todd Woodbridge in the third round.



Swede cedes: the strain tells on Stefan Edberg in the Australian Open yesterday

Photograph: Phil Cole/Allsport

## BSkyB wins support of promoters

**Mike Rowbottom** on a split developing between politicians and administrators over the coverage of sport on television

Sporting administrators spoke out yesterday in defence of BSkyB television, whose hopes of buying up exclusive rights to top events are generating cross-party opposition in Parliament.

But, in a seminar on the future of sport and television yesterday at the Queen Elizabeth II Conference Centre, Westminster, which was set up by BSkyB, the company's policy was criticised by a number of MPs. Labour has already announced it will rock an amendment to the Broadcasting Bill in the House of Lords next month which is intended to ensure that key sporting occasions are safeguarded for the main terrestrial television channels.

Terry Blake, marketing manager for the Test and County Cricket Board, spoke of the benefits to the game of the £60m deal it has signed with BSkyB, compared with 1989 television revenue of under £1.5m.

"We have doubled our exposure from 300 to 600 hours while still maintaining 250 hours on BBC," he said. "We have a major investment programme underway, but we will not be able to fund it without this kind of money from television."

Mike Smith, of the Basketball League, Sam Hammann, chairman of Wimbledon, and Frank Warren, the boxing promoter, all added their voices of support for BSkyB. David Elstein, BSkyB's head of programming, said that of the 10,000 hours broadcast by Sky Sports last year, less than 0.5 per cent represented material transferred from ITV or BBC. He said his company had attracted three and a half million subscribing homes - equivalent to 10 million people.

David Dein, vice-chairman of Arsenal and a Premier League representative on the FA Council, questioned whether it was fitting for MPs to determine how sport sold its own television rights. "Do we really need the help of the politicians?" he asked. "Isn't their role that of a watchdog after sporting bodies have made their own decisions?"

But Michael Cartiss, Conservative MP for Great Yarmouth, who first expressed his impatience at the proceedings - "We have sat here for the last one and a half hours and heard about nothing but money, money, money" - defended the role of politicians in determining television legislation.

"Please don't question our right to decide because unlike you, we have been elected to do this job," he said. "Sport will die if it isn't watched by the millions and we as politicians have to consider that."

Nick Hawkins, MP for Blackpool South and chairman of the Conservative back bench sports committee, said his postbag was full of letters from people seeking assurances that there would still be major sporting events which did not go exclusively to satellite channels.

"You should recognise the very strong views of these people," he said, "many of whom cannot afford Sky and some of whom face local restrictions over putting up satellite dishes."

Maurice Lindsay, the Rugby League's chief executive, urged MPs to proceed with caution. "Be careful, because you could damage the grass roots of sport by thinking that you are doing a public service," he said.

Lindsay pointed out that talented young players such as Denis Betts had left the British game because of poor rewards. "We couldn't afford to keep him," Lindsay said. "Our BBC contract was half a million a year and I couldn't do anything with it. I couldn't keep players or invest in the junior game, or in schools development. Now I can."

But Nicholas Winterbottom, Conservative MP for Macclesfield and chairman of the all-party Parliamentary media committee, joined Cartiss in criticising the debate's preoccupation with money. "The culture of this country appears to have been overlooked," he said, adding: "I do not believe that monopolies are a good thing."

### SPORTS LETTERS

#### In praise of glorious Devon

##### From J Seecoomar

Sir: Bravo Devon! Ever since that first delivery with the second new ball went down the leg side in the final Test in South Africa, I prayed that Devon was wreaking his revenge. After all, he had been publicly and mercilessly lynched and the opportunity would not come again.

I knew that this was a wasted prayer. For I had seen last-wicket pair defy the world's best bowlers in my time, but it demonstrated the anger and humiliation I had felt every time he was openly whacked.

It really could not have escaped the attention of any thoughtful observer that the English cricket authorities seem to resent having to play non-white players in the national side.

They use them for a time, but then discard them at the earliest opportunity. How else can one explain the widely different treatment which Graeme Hick and Mark Ramprakash have received? And there is a roll of those who have gone before.

English cricket will continue to languish until those who control the game are prepared to recognise and nurture real talent. There is not a lot of it about in the country.

Yours sincerely,  
J SEECOMAR  
London NW2

#### Only joking

##### From S Mirghavamedin

Sir: May I be the first to suggest a replacement for the outgoing England football coach. My candidate has an uncanny knowledge of football tactics, plenty of experience at various levels, excellent at handling the media, and is free to take over in July. My candidate is of course Mr G Taylor. Not Yours,  
SADRI MIRGHAVAMEDIN  
London SW15

Letters should be marked "For publication" and should contain daytime and evening telephone numbers. They should be sent to Sports Editor, The Independent, 1 Canada Square, London E14 5DL. They may be shortened for reasons of space.

## Questions of Sport

### £40,000 to be won



Today we are giving you another sporting chance of an instant win. In Saturday's paper, there was a Questions of Sport multi-choice scratch card which, if you answer three sporting questions correctly, gives you the chance of an instant cash prize from £1 to £1,000. You don't have to be an obsessive fan to play - a good general sporting knowledge should suffice. But remember, you only get one chance to answer each question, so if you are in any doubt, check it out. The card contains eight games so you can play daily through to Friday 19 January. And as well as the daily instant cash prizes there is a weekly accumulator prize of £5,000. In this Saturday's Independent we will give you another Questions of Sport scratch card.

**HOW TO PLAY**  
Today we are playing the section of the card dated Thursday 18 January. Below are three sporting questions, each with three possible answers coded as A, B and C. Scratch off your answer to Question Nineteen, either A, B or C in the Q19 column then repeat for Q20 and Q21.

**THE QUESTIONS**  
Q19 What nationality is Sheffield Wednesday's Marc Degryse?  
A: Dutch  
B: Belgian  
C: French

**Q20 When were the Olympic Games last held in Britain?**  
A: 1908  
B: 1928  
C: 1948

**Q21 Who scored 333 runs against India at Lord's in 1990?**  
A: Graham Gooch  
B: David Gower  
C: Robin Smith

**IMPORTANT**  
Scratch off ONE letter only for each question. If you reveal three identical cash amounts on any one section on any one day, you win that amount. After you have played the last game on your card, total the cash amounts you have revealed. If your total is £5,000 you win or share the £5,000 accumulator prize. You could also win today's instant prize of £100 by revealing an asterisk.

**HOW TO CLAIM**  
If you have revealed three identical cash amounts of £5 or under, DO NOT PHONE. Take the claim coupon OR a piece of plain paper with your name and address on it PLUS the relevant section of the card to one of the newsagents listed below. For prizes over £5, phone 01254 683666 (Irish Republic 0044 1254 683666) between 10.30am and 4pm today.

Participating newsagents: WH Smith, John Menzies, Fortnum & Mason, McColl's, Gibsons, Macs, Superdry, United News Shops, Star News, K Balfour, Eason, GT News, Paperchain - Village Store, Paper Shop. If you have any difficulty redeeming your card and coupon for a prize send both to: Independent Questions Of Sport claims, PO Box 60, Burnley, BB10 1SH.

**RULES AS PREVIOUSLY PUBLISHED**

**SOME OF OUR WINNERS SO FAR:**  
Derim Cassim from Pwllheli, Wales - £250  
Maureen Pearson from Horsforth, Leeds - £100  
Roger Bryant from Clayton West, Huddersfield - £100  
Raymond Thomas from Wirral, Merseyside - £100  
Peter Penryman from Otley, West Yorks - £50  
Lyn Gray from Gargrave, Nr. Skipton - £25  
Michael Wright from Wrexham - £25  
Martina Shuttleworth from Leigh, Lancashire - £10

**QUESTIONS OF SPORT CLAIM COUPON**  
Thursday 18 January 1995  
To claim prizes up to £5  
**DO NOT PHONE**  
Take this coupon to any of the participating Newsagents listed who will give you your prize instantly.  
NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
POSTCODE \_\_\_\_\_  
TELEPHONE \_\_\_\_\_

To the Newsagent: Please check the card is correct and give the reader the value of their prize. Send this coupon or details supplied on plain paper together with the winning card to your head office for full redemption.

## Carling's dangerous philosophy of future

### Rugby Union

STEVE BAILE

Treating a Test in Paris as a means to an end rather than an end in itself smacks of dangerous philosophy, but Will Carling last night left no doubt of his and his England team's conversion to the belief that forward planning might just entail present defeat.

Not that the England captain necessarily expects it when he faces France at Parc des Princes at the opening of the Five Nations' Championship on Saturday. Jack Rowell the manager, did pose the question earlier in the season whether English rugby was willing to tolerate a setback or two as a team and style were developed and Carling seems to have given him his answer.

"It would be a great bonus to win another Grand Slam, but it's not No 1 on my list," he said after the England players had reacquainted themselves at Roehampton, where they will train again today before flying to Paris this afternoon.

"I want us to play to the best of our abilities and that may mean we don't win," Carling said.

Even so, Carling's men have made up their minds. "We sat down as a squad and said what is our most important goal, win-

ning a Grand Slam or developing a style of play that may take some time but will make us more successful? We said it was the style of play. We don't want to lose games, but long term is the most important thing."

Dean Richards will not after all play for England in Paris. Ben Clarke having declared himself fit after the muscle spasm in his pelvis which had made him doubtful. However, Richards will instead sit on the bench. Tim Rodber, relegated after the unimpressive win over Western Samoa, withdrew yesterday with a combination of knee and ankle injuries.

Carling has made a hard choice. England have already done the Grand Slam three times in the Nineties, so a once-formidable achievement may be becoming old hat. However, the public response to the recent internationals has shown how badly people who have come to presume success take even relative failure.

Even so, Carling's men have made up their minds. "We sat down as a squad and said what is our most important goal, win-

ning a Grand Slam or developing a style of play that may take some time but will make us more successful? We said it was the style of play. We don't want to lose games, but long term is the most important thing."

Leicester are hiring the ground and will pocket the proceeds unless, with the RFU projecting a crowd of up to 30,000, they are sufficient to disburse some of them to fellow-members of the First Division. The problem will come in selecting a world team worthy of the billing, given that the game - on Sunday, 21 April - takes place at the same time as the southern-hemisphere Super 12 provincial competition.

Though Lomu's province, Counties, will be involved in the Auckland set-up for the purposes of the series, an initial approach, doubtless offering to make it worth the All Black wing's while, has already been made. Otherwise, Leicester antici-

pitate that their opponents will comprise no more than two players from each country, including two Japanese.

Meanwhile Peter Wheeler, the Leicester chief executive, and his Cardiff equivalent, Gareth Davies, have met leading Scottish clubs to form a united front in the continuing fractiousness with their respective rugby unions. Next, Wheeler will meet representatives of the French clubs when he is in Paris for the England match at the weekend. The Scottish clubs, led by Melrose, the champions, have called a special general meeting of the Scottish Rugby Union - at Murrayfield on 9 February - with a view to overturning the SRU decision to enter districts XV's in next season's European Cup. The clubs have already pulled off something of a coup by persuading Gavin Hastings, the recent Scotland captain, to present their case.

Letters should be marked "For publication" and should contain daytime and evening telephone numbers. They should be sent to Sports Editor, The Independent, 1 Canada Square, London E14 5DL. They may be shortened for reasons of space.

19/1/95

New Questions Of Sport scratch card in Saturday's Independent

THE INDEPENDENT



## TENNIS

Edberg says farewell to Australia 22

# Cronje crowns England's series defeat

## Cricket

DEREK PRINGLE  
reports from Durban  
England 184  
South Africa 185-5  
(S Africa win by five wickets)

A decisive partnership between the South African captain, Hansie Cronje, and his young cohort, Jacques Kallis, put South Africa on the road to victory and with it secured the series after another fumbling performance from England yesterday.

The pairing took the home side from a shambles 9 for 2 to 127, a South African record for this wicket. Kallis, in particular, came of age, and his 67 was the comfortably dominant innings as Cronje shrewdly allowed him his head, though he too went past fifty, albeit at a slower pace.

Kallis is a lusty striker of the ball when the urge takes him, mainly to the off, though one on drive off Cork had all the hallmarks of one played by Greg Chappell. However, this urge got the better of him as he persisted, caught by Hick at deep midwicket, as he tried to hoist DeFreitas for six.

After their poor start South Africa did not panic as Cronje and Kallis carefully went about their initial repairs, like students at an archaeological dig. That they lagged some 17 runs behind England at the 20-over stage did not seem to perturb them.

When the moment came, they attacked by hitting clean and straight, though some buttry English fingers doubtless helped smooth their acceleration. Philip DeFreitas, in particular, dropped a skier from Cronje that was always Jack Russell's catch as it spiralled down from among the floodlights, and later Alec Stewart split the webbing between the fingers on his left hand when he dropped a fierce pull from Kallis at midwicket, a wound that needed stitching.

England began far more fortunately than they had last Tuesday, when the ball had traversed every part of the ground



The long walk: a desolate Alec Stewart leaves the crease as the South Africa players celebrate his dismissal by Allan Donald at Kingsmead yesterday

Photograph: Mike Hewitt/Allsport

long before the first 15 overs were up. A wide ball from Dominic Cork that Gary Kirsten would have dispatched dismissively for four in the last game suddenly found the edge.

What had taken England almost 30 overs to achieve at Centurion Park had arrived in the second over, a feat that quickly turned to celebration when Andrew Hudson was adjudged lbw two overs later as Cork won his appeal off umpire Dave Orchard.

Having been put in by Cronje, mainly because of rain being forecast, England once again passed fifty, the third time they have done so in the series. But if such starts normally bode well for the whole innings, Allan Donald's three-wicket strike in 14 balls downgraded any early forecasts of a big total.

In his second over he removed both openers: Michael Atherton edging a ball that got too close to him to cut, while Stewart, squared up like a street pugilist, was bowled neck and

crop. Soon after, England had 164 on the board when he was sixth man out, bowled by Craig Matthews around his legs - the first of three England batsmen to suffer this indignity, the others being Cork and Darren Gough - having scored just four fours in his 63.

So far in this series, Thorpe's lack of boundary hitting have been a feature of his innings to such an extent that of the 212 runs he has scored in four outings, 52 of them have come in fours. That

means his legs have carried him for a 160 of them, something his some of his team-mates would do well to note.

Judging by the big shots played in this series, Thorpe appears to be England's only batsman capable of knocking the ball into gaps and picking up singles when under pressure, though

Craig White, too, played sensibly as the pair put on 54 together.

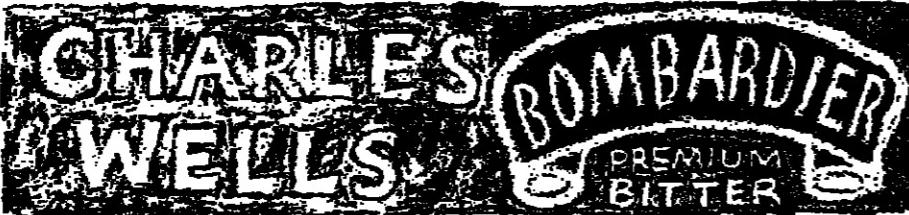
Picking up singles is something Australia appear to do supremely well, regularly scoring more than four an over when consolidating the loss of a few wickets.

It is a habit England seem averse away from mastering, as evidenced by the paltry 71 runs they scored between the 10th and 30th overs, but one they will have to learn fast if they are to feature in this year's World Cup.

It will be particularly important if the old ball starts to reverse swing as it did yesterday. Saddled with trying to hoist England's total above 200, the lower order had few answers to the inswinging yorker. With Russell not there to guide them, England lost their last four wickets for 20 runs.

## Durban scoreboard

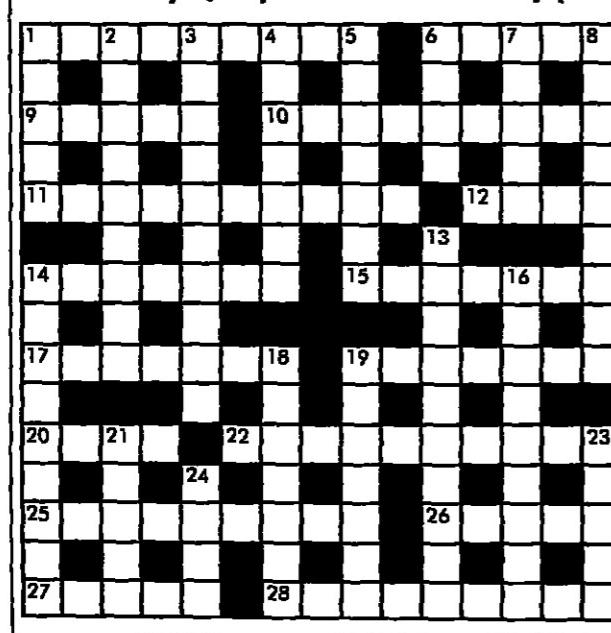
(South Africa won this)	
ENGLAND	SOUTH AFRICA
M A Atherton c Richardson b Donald	17
R A Stewart b Donald	31
G A Hick c Richardson b Donald	6
G P Thorpe b Matthews	63
C White b Pollock	16
M C Russell run out	21
D G Cork b Matthews	1
P A J DeFreitas b Pollock	3
D Gough c de Villiers	3
P J Morris not out	2
Extras (b1, lb6, w6)	13
Total (49.5 overs)	184
FAT: 1-51, 2-52, 3-61, 4-78, 5-132, 6-164, 7-170, 8-177, 9-178.	185
Ball: 1-1, 2-9, 3-127, 4-150, 5-183.	186
Did not bat: D J Richardson, A J DeFreitas, C R Matthews, A J Morris.	187
PREVIOUS MATCHES	
Capetown: South Africa won by 7 wickets. South Africa 211-5; England 205.	
Bloemfontein: Drawn and won by 5 wickets. South Africa 262-5; England 265-5.	
Johannesburg: South Africa won by 3 wickets. England 198-8; South Africa 199-7.	
Port Elizabeth: South Africa won by 7 wickets. South Africa 272-5; South Africa 275-5.	

THE INDEPENDENT CROSSWORD  
in association with

No.2885, Thursday 16 January

By Spurts

Yesterday's Solution



- ACROSS  
1 Bell originally produced one ring (5)  
6 Gardener's task is hard work (5)  
9 Dance arranged by a doctor in Missouri (5)  
10 It's a real change for company to introduce safety device (4-5)  
11 Consumer organisation? (6, 4)  
12 Wild animal is close (4)  
14 A lot of water sloshing about in our extract? (7)  
15 Come to a perilous novel set in European Parliament (7)  
17 Unexciting spread offered by cowgirl (American) (7)  
19 Give an account of market arrangement yielding partial return (7)  
20 Club member, an expert (4)

- 22 Irritating condition I'd misread, perhaps? (10)  
23 Equipment brought up by army corps, for instance (4)  
27 Knowing about war poet (fresh) (5)  
28 Photographic method which means mistake by enemy? (4-5)  
29 Man with you to start well earned rest - an impractical lifestyle (5, 5)  
30 Science which is testing, in a very important acute? (9)  
31 Cumming wiles in which there's a point, at all events (9)  
32 Person who must have got off the night train (7)  
33 One evening in Greece, divine (7)  
34 Afraid to bring up material with end torn off (5)  
35 Covered with plastic layer and metal one, perhaps? (9)  
36 Tidied person? (10)  
37 Policewoman is tender, restricting formality for the most part (7)

Win a Weekend Break or a case of Bombardier Premium Bitter  
CALL 0891 311 017

When you have the answers to the first three clues across AND the first three clues down phone 0891 311 017 and leave your answers with your name, address and daytime telephone number by midnight tonight. Each day there is a case of Charles Wells Bombardier Premium Bitter plus £100 from all entries for the week a winner will be selected for a Weekend for two in Charles Wells Country Hotel, Cheltenham.  
Call 0891 311 017 for alternative rate, 49p per minute off all other times.  
Winners will be selected at random from all correct entries received. No cash alternative. Normal Newspaper Publishing rules apply. Editors decision is final. Winners names can be obtained by sending an SAE to - Charles Wells Crossword, Unit A, Bowe House, St Peters Road, Maldenhead SL6 7QU

## Euro 96 hope for Cantona and Ginola

## Football

Aimé Jacquet, the France coach, last night opened the door for Manchester United's Eric Cantona and Newcastle's David Ginola to force their way into the last 16. The French coach also accused Ginola of an attitude problem, claiming: "His behaviour is difficult to understand. He's a player of mood. I don't want that. I've always said I don't want moody players. If he comes, it's without dictating what happens. Then we see."

Cantona was appointed captain by Jacquet but was stripped of that when he received his suspension. "Why should I bring back Cantona when two young

players of quality have so brilliantly taken part in our qualification?" Jacquet added.

"Putting them aside would be absurd. They are the players in a strong position."

In Cantona's absence, Paris St-Germain's Youri Djorkaeff - like Cantona, happy in either a striking or attacking midfield role - and the Bordeaux playmaker Zinedine Zidane have both produced superb displays.

Ilie Dumitrescu will end his Tottenham sojourn by joining London neighbours West Ham today in a £1.5m deal. But after signing their second foreign international in a fortnight, West Ham must wait for the Ro-

manian World Cup forward to be given a new British work permit, and that could take at least two more weeks.

The Croatian centre-back Slaven Bilić, who joined West Ham from the Bundesliga side, Karlsruhe, for a club record £1.65m, is also awaiting a work permit applied for 10 days ago.

Mark Walter, the 32-year-old former England winger, has joined Southampton after being given a free transfer by Liverpool.

Bristol City directors yesterday promised a full inquiry after hundreds of ticket-holding fans were denied entry to Tuesday night's derby with Bristol Rovers at Ashton Gate, won 2-0 by Rovers. Those with tick-

ets found queues blocking their way into the ground, and a female steward suffered a broken leg as gates were forced open.

The European Commission is to ask the governing body of European football, Uefa, to comply with the European Court of Justice's rulings on transfers and foreign players and would take "necessary measures" if Uefa did not do so: "Nobody in the [European] Union is above the law," a Commission spokesman said.

A Uefa spokesman responded by saying the limit of three foreigners and two "assimilated" players had "worked well in recent years, and we don't see the need to change it."

## England must face Black Sea baptism

## Football

England's incoming manager will have a Black Sea baptism when his new charge opens their World Cup qualifying campaign in Moldova in September, while Scotland travel to Vienna in what could be a crucial encounter against Austria at the end of August.

Terry Venables has presented his successor with an opening qualifier on 1 September and a climax in Rome against the Group Two favourites, Italy, 14 months later.

But the FA delegation left Warsaw with a balanced schedule, which could prove a plus point in their search for a new coach to take on the challenge of a group which includes Poland and Georgia.

The new man will have three Premiership games in which to

assess and assemble his first line-up but Venables, who is so far abiding by his decision to resign after the European Championship finals, said: "It was unavoidable to start this way. Ideally we would have liked to play at home, but with the way the fixtures were dropping we could then have ended with three away games on the trot."

"It's all about getting the balance right, with four other countries all trying to do the same, and I think we have managed that."

Moldova beat Wales and Georgia in the European Championship qualifying campaign, but are holding out little hope of matching England. "It's impossible for us to beat them," their coach, Ion Caras, said. "England and Italy are clear favourites from the group which will be very difficult for us. Every game is a great occasion for us but this will be the biggest because England is the father of football."

England follow up with a home game against their by now traditional rivals, Poland, and the perilous trip to Georgia in November. They resume against Italy at Wembley in February, having ruled out an Easter game at the behest of a Premiership anxious to protect its holiday schedules. The FA chief executive, Graham Kelly, has negotiated free weekends before all bar the April, 1997 Wembley game against Georgia, which is followed by the most

treacherous-looking of the games, in Poland on 31 May.

The Scotland coach, Craig Brown, emerged from his meeting in Vienna with what seems a favourable hand, without the having to play any ties before the European Championship finals, opening at the Ernst Happel Stadium on 31 August, barely a fortnight after the start of the Scottish League season.

"We are satisfied with our schedule," Brown said. "We have had tough away matches at the start of previous campaigns and have emerged successfully from the groups. We went to Finland at the start of the campaign for Euro 96 and won 2-0, which was a big factor in making it to England."

## World Cup 1998

## Qualifying schedule

ENGLAND	WALES	SCOTLAND	IRELAND
Sat Sep 4			Wales vs Ireland
Wed Oct 9			England vs Georgia
Sat Oct 17			Italy vs Georgia
Wed Nov 21			Poland vs Georgia
Sat Dec 5			England vs Poland
Wed Dec 12			Italy vs Poland
Sat Jan 10			Wales vs Poland
Wed Jan 14			Scotland vs Poland
Sat Feb 21			England vs Scotland
Wed Mar 20			Wales vs Scotland
Wed Apr 3			Italy vs Scotland
Sat Apr 11			Poland vs Scotland
Sat May 16			England vs Poland
Sat Jun 20			Wales vs Italy
Sat Jul 4			Scotland vs Italy
Sat Aug 1			England vs Scotland
Sat Aug 15			Wales vs Scotland
Sat Sep 12			Italy vs Scotland
Sat Oct 10			Poland vs Scotland
Sat Nov 14			England vs Poland
Sat Dec 19			Wales vs Poland
Sat Jan 23			Scotland vs Poland
Sat Feb 27			England vs Scotland
Sat Mar 13			Wales vs Scotland
Sat Apr 17			Italy vs Scotland
Sat May 21			Poland vs Scotland
Sat Jun 4			England vs Poland
Sat Jul 12			Wales vs Poland
Sat Aug 16			Scotland vs Poland
Sat Sep 20			England vs Scotland
Sat Oct 4			Wales vs Scotland
Sat Nov 11			Italy vs Scotland
Sat Dec 19			Poland vs Scotland
Sat Jan 23			England vs Poland
Sat Feb 6			Wales vs Poland
Sat Mar 13			Scotland vs Poland
Sat Apr 20			England vs Scotland
Sat May 4			Wales vs Scotland
Sat Jun 11			Italy vs Scotland
Sat Jul 19			Poland vs Scotland
Sat Aug 26			England vs Poland
Sat Sep 9			